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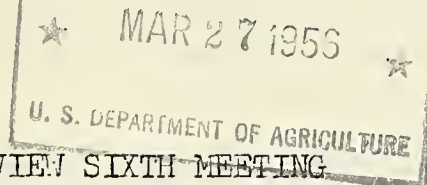
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FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE
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FW 1-56



January 18, 1956

REVIEW SIXTH MEETING INTERNATIONAL WOOL STUDY GROUP

World wool production in the 1955-56 season was estimated at 4,560 million pounds, greasy basis, or 2,620 million pounds, clean basis, by the International Wool Study Group at its sixth meeting held in London, November 8-11, 1955. This year's production of wool represents an increase of $1\frac{1}{2}$ percent over the previous season and is the eighth successive increase. In addition, there will be some excess in the carry-over stocks in Argentina and Uruguay, and about 25 million pounds of the United States C.C.C.-owned wool which will be marketed during the current season.

It would appear that current wool production is appreciably in excess of current requirements; however if an allowance is made for time lag in shipping, production and consumption are in close agreement. For instance, the estimated output in 1953-54 was 2,540 million pounds, clean basis, compared with world consumption in 1954 of 2,501 million pounds. World wool consumption trends suggest that no excessive buildup in wool stocks has or is likely to occur in the immediate future.

Since the Study Group Meeting, the National Council of Wool Selling Brokers of Australia has revised the estimate of the Australian production in the 1955-56 season upward by 83 million pounds. Although estimates of some other countries may later prove to be too high, the upward revision in Australia's output is significant due to the dominant position it holds in world production.

The Sixth Meeting of the Study Group was attended by representatives from 27 countries: Argentina, Australia, Belgium, Canada, Colombia, Cuba, Finland, France, Federal Republic of Germany, Greece, India, Iran, Italy, Japan, Mexico, Netherlands, New Zealand, Pakistan, Paraguay, Sweden, Switzerland, Syria, Turkey, Union of South Africa, United States, United Kingdom, and Uruguay. Also, observers of Commonwealth Economic Committee, Food and Agricultural Organization, International Wool Secretariat, International Wool Textile Organization, and the Organization for European Economic Cooperation attended the 1955 meeting.

The Study Group was organized in 1946. (1) In general, it reviews the world wool position including problems which may arise in connection with production, trade, and consumption of wool, and makes appropriate recommendations to the member governments for such action as may seem advisable. (2) World wool statistics have improved appreciably because of the Group's insistence that minimum statistical standards be maintained by member countries. (3) The spirit of cooperation and mutual understanding of wool producing and consuming countries generated by the Study Group did much to achieve orderly disposal of the large World War II wool surplus without upsetting the world market.

A management committee, made up of representatives of major wool producing and consuming countries, is located in London. It conducts the affairs of the organization, determines date and place of meetings, and approves the quarterly reports of the technical committee which are transmitted to member governments. It is noteworthy that the Group operates without a paid Secretariat.

The statistical review issued by the 6th Study Group has been summarized and is included herein. Some differences exist between the Group's data and those published by the Department of Agriculture. The major differences arise from the manner in which shorn wool and pulled wool are combined to arrive at the estimates. On a "clean wool basis" the two estimates, except for a few countries, are in close agreement.

SUMMARIZATION

Twentieth Quarterly Report of the International Wool Study Group on the World Wool Situation for the quarter ending September 30, 1955 with a review of the three-year period since the fifth meeting of the Group.

WORLD WOOL SURVEY

Production

World wool production in the 1955-56 season is estimated at 4,560 million pounds, "greasy basis", compared with 4,490 million in 1954-55 (see Table I). On a "clean basis" the 1955-56 production is equal to 2,620 million pounds. The principal increases this season are expected in Australia^{1/} and New Zealand, while a further significant decline in output is in prospect for Argentina. The wool clips in South Africa and Uruguay will be near the level of last season. In Western Europe the severe winter of 1954-55 appears to have checked any further increase for this season.

Between the 1950-51 and 1954-55 seasons the world wool production increased by about 11 percent. Most of the increase occurred in the 1952-1953 season when production was 8 percent larger than the previous season. The increased output occurred primarily in Australia because of a substantial increase in sheep numbers and higher wool yields. This is attributed to pasture improvements and increased forage made available by reduction in rabbit numbers. Pasture grasses and other crops had been reduced or damaged by the unusually large number of rabbits that have now been successfully reduced by the use of myxomatosis.

Production in South Africa and New Zealand increased appreciably between the 1950-51 and 1954-55 seasons. Sheep numbers have increased steadily in both countries. In South Africa there has been a larger increase in the wool type than in mutton type sheep. In New Zealand the increasing use of fertilizer by aerial top-dressing has contributed greatly to an expansion of the pastoral area as well as carrying capacity of pastures.

Production in Uruguay has remained relatively stable in recent years while output in Argentina has declined gradually.

World Wool Supplies 1955-56

In addition to the estimated production of 2,620 million pounds, clean basis, some 25 million pounds of the United States C.C.C.-owned wool will be offered for sale during the current season. A further addition to current supplies may be available from carry-over stocks in Argentina and Uruguay.

^{1/} Since the Study Group Meeting the National Council of Wool Selling Brokers of Australia has revised the estimate of Australian production of wool for 1955-56 upward by 83 million pounds.

The United States Government has announced a plan for the disposal of Commodity Credit Corporation stocks. Under the plan, the Commodity Credit Corporation will offer for sale on a competitive bid basis each month, beginning with November, 1955, 1/24th of the stocks it held as of November 1, 1955. The total quantities available are equivalent to about 68 million pounds, clean basis.

Estimated world "supply" stocks of raw wool

million lb. -- clean basis

At beginning of season 1/	1952-53	1953-54	1954-55	1955-56
United States Government (C.C.C.--owned)	-	50	55	63
British Wool Marketing Board	11	4	6	6
Argentina	135	30	45	(55)
Uruguay	65	8	20	(40)
Australia	7	8	8	10
New Zealand	16	14	14	12
South Africa	1	2	2	1
Total	285	116	150	(191)

1/ Jul-1 for all except Argentina and Uruguay, which begins October 1.

The carry-over in Argentina at the beginning of the current season is estimated at 55 million pounds, clean basis, and that in Uruguay at 40 million. These estimates are still very tentative. Judging by past experience, it is unlikely that all of these stocks will be marketed this season since it is not possible to estimate the extent of change in the carry-over. Recent alterations in exchange rates and export regulations in both of these South American countries, however, may facilitate the marketing of current and carry-over supplies, thus increasing somewhat the total available supplies in the current season.

World Wool Consumption

World consumption of wool was estimated about 2 percent larger during the first nine months of 1955 than in the corresponding period of 1954 (see Table II). Consumption for the 12 months ending September 30, 1955 was estimated at 2,520 million pounds, clean basis. (The Study Group concluded at the November meeting that it was too early to estimate the extent to which the lower level of wool prices established at the beginning of the current season would further stimulate consumption).

World consumption of wool increased by about 4 percent in 1952 and another 12 percent in 1953, but declined by 5 percent in 1954. Consumption was estimated at 2,501 million pounds in 1954 compared with 2,627 million in 1953.

Consumption of Materials Other Than Virgin Wool

Consumption of materials other than virgin wool by the wool textile industry in ten of the major consuming countries increased by about 9 per cent during the first 9 months of 1955 compared with a similar period of 1954 (See Table III).

The increases in consumption of other materials compared to preceding years were 5 percent in 1954 and 8 percent in 1953. In 1952 consumption of these materials declined by 14 percent compared with the previous year. This probably reflected the decline in raw wool prices from the very high levels of 1950-51.

Total Consumption of Materials

Aggregate consumption of virgin wool and other materials by the wool textile industry in the ten major countries was estimated at 2,101 million pounds during the first 9 months of 1955 compared with 2,002 million in the comparable period of 1954.

The proportion of virgin wool to total materials averaged 59.5 percent in 1954 compared with 63 percent in 1953. The proportion declined seasonally during the first three quarters of 1955.

Virgin Wool as a Proportion of Total Materials Consumed in Ten Major Consuming Countries

	: Total materials (virgin wool plus other materials) : : million lb. :				: Virgin wool as a percentage of total materials :			
	: 1952 :	: 1953 :	: 1954 :	: 1955 :	: 1952 :	: 1953 :	: 1954 :	: 1955 :
1st. Qtr.	: 590 :	: 720 :	: 676 :	: 706 :	: 59.5 :	: 64.0 :	: 60.0 :	: 59.5 :
2nd. Qtr.	: 588 :	: 729 :	: 676 :	: 716 :	: 60.5 :	: 64.0 :	: 60.0 :	: 58.5 :
3rd. Qtr.	: 634 :	: 681 :	: 650 :	: 679 :	: 62.0 :	: 63.0 :	: 59.0 :	: 57.5 :
4th Qtr.	: 701 :	: 688 :	: 685 :	:	: 64.0 :	: 62.0 :	: 58.5 :	:
Year	: 2,513 :	: 2,820 :	: 2,688 :	:	: 61.5 :	: 63.0 :	:	:

1/ Revised. 2/ Provisional 3/ Revised-revision by quarters NCT available.

Notes: (1) These ten countries accounted for approximately two-thirds of world consumption of virgin wool for the period under review.

(2) "Consumption of total materials" include an element of duplication due to inclusion of noils and reprocessed wool. The total, however, provides a useful indication of the level of activity.

(3) The estimates include consumption of fibres other than wool and man-made (chiefly raw and waste cotton) in the Canadian wool textile industry.

Exports of Wool

Exports of wool from the five principal exporting countries totaled 1,268 million pounds, clean basis, during the 1954-55 season (see Table IV). Compared with the previous season no appreciable change in the level of exports was noted, but compared with 1952-53 a sharp drop occurred. In the latter season almost a clip and a half were exported from Argentina and Uruguay. An appreciable carry-over of stocks was accumulated in these two South American countries during the 1954-55 season.

Imports of Wool

Imports of wool into the principal importing countries during 1954 were about 17 percent below the high level of 1953 (see Table V). A moderate increase in imports over a year earlier occurred during the first 6 months of 1955 compared with a year earlier. Imports into the United States between the two periods increased by 19 percent; West Germany, 27 percent; Japan, 29 percent; Canada, 58 percent; Netherlands, 8 percent; and Belgium, 3 percent. In contrast imports into Italy and France declined by 18 percent and 11 percent, respectively, while imports into the United Kingdom were approximately at the same level as a year earlier.

Prices

Dominion wool sales opened in Australia and South Africa about the first of September and in New Zealand at the end of October with prices distinctly lower than at the close of last season (see Table VI). Australian Merino 64's declined from 110 d (128 cents) per pound, clean basis, at the end of June to 97 d (113 cents) per pound during the opening week in September. The New Zealand sales opened in the last week of October with crossbred 50's averaging 14 percent less than the closing prices in May. By the middle of October the market became firmer, and the moderate downward trend which followed the opening sales was reversed.

The trend in wool prices in general was downward for the period between May 1953 and October 1955. Prior to May 1953, prices had risen steadily since April 1952 with only a temporary setback in September of 1952.

TABLE I. - Estimated World Production of Raw Wool
million lb. - greasy basis

	Average 1934-38	1950-51	1951-52	1952-53	1953-54	1954-55 a	1955-56 b
Argentina	376	430	420	407	397	364	343
Australia	955	1,118	1,080	1,281	1,246	1,294	1,331
New Zealand	300	390	407	418	426	455	475
South Africa <u>c</u>	261	245	251	274	283	306	306
United Kingdom	111	89	93	102	105	108	106
United States <u>a</u>	470	271	270	290	302	308	304
Uruguay	114	185	188	190	203	198	200
Soviet Union, China Eastern Europe <u>d</u>	450	533	557	590	623	614	630
Other countries	733	761	788	820	837	849	860
Total	3,810	4,022	4,054	4,372	4,423	4,496	4,560
Of which:							
Merino	1,451	1,382	1,334	1,538	1,528	1,592	1,615
Crossbred	1,528	1,767	1,321	1,900	1,944	1,953	1,985
Total Apparel	3,019	3,149	3,155	3,438	3,472	3,545	3,600
Other	791	873	899	934	951	951	960
Clean equivalent;*							
Merino	705	748	724	833	820	850	863
Crossbred	970	1,144	1,180	1,226	1,245	1,254	1,277
Total Apparel	1,675	1,892	1,904	2,059	2,065	2,104	2,140
Other	395	437	450	467	475	475	460
TOTAL	2,070	2,329	2,354	2,526	2,540	2,579	2,620

a Revised

b Provisional

c Including Basutoland and S.W. Africa Territory

d Soviet Union, Albania, Bulgaria, Czechoslovakia, E. Germany, Hungary, Poland, Roumania, China and Dependencies, Outer Mongolia, Tibet.

Source: Commonwealth Economic Committee

TABLE II. - Estimated world consumption of virgin wool
million lb. - clean basis

	Year		1954		1955		Jan.-Sept. 1955a		Percentage change: July - Sept. 1955 compared with:-	
	1952	1953	1954	1955	1954	1955	1954	1955a	July-Sept. 1954	Apr.-June 1955
<u>Countries reporting on a quarterly basis:-</u>										
United States -										
in wool textile industry										
Apparel	347	358	266	62.7	73.2	69.2	61.2	71.2	73.3	69.6
Carpet	120	136	115	32.0	26.7	26.2	29.6	32.8	31.8	30.4
Other c	(9)	(10)	(8)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Total	475	504	389	96.7	101.9	97.4	92.8	106.0	107.1	102.0
								296.0	315.1	+ 5
United Kingdom										
France	379	488	462	119.0	118.1	106.9	117.6	126.1	122.3	106.2
Germany (Federal Republic)	214	251	254	68.1	66.5	57.5	62.3	62.8	61.7	53.1
Italy	132	154	152	34.2	34.7	40.1	42.7	39.6	37.7	41.9
Japan	125	132	119	30.5	30.1	29.6	28.3	25.9	27.3	26.5
Belgium	99	125	109	28.3	28.3	25.1	27.0	26.3	32.3	31.5
Australia	57	70	63	16.1	16.3	15.8	15.1	17.2	16.5	14.8
Canada d	37	54	55	12.6	14.1	15.0	13.3	13.3	(14.0)	(14.0)
Netherlands	29	22	18	4.4	4.8	4.2	5.0	5.3	5.2	(5.2)
Sweden	26	24	25	6.0	6.1	5.8	7.0	6.5	6.3	5.9
	13	13	11	3.1	2.8	2.3	3.0	(3.0)	(2.9)	(2.5)
Total (11 countries)	1,586	1,837	1,657	419.0	423.7	399.7	414.1	432.0	433.3	403.6
								1,242.4	1,268.9	+ 1
Other countries	776	790	844							
World total	2,362	2,627	2,501							

Source: Commonwealth Economic Committee and International Wool Textile Organization

Note: Figures in brackets represent Study Group estimates in the absence of full returns from reporting countries.

a Provisional; in most cases September is estimated. b Revised. c Consumption on cotton and other spinning systems and estimated consumption in batting and felt manufacture. d Consumption in wool textile industry only, i.e. excluding hosiery industry etc. e Not available: estimate included in the total.

TABLE III. - Consumption of materials other than virgin wool in the wool textile industries of the principal consuming countries

(noils; waste; broken tops; recovered and re-used wool; shoddy or mungo; artificial fibres; hair; cotton; silk)

million lbs.

	Year		1954				1955				Jan.-Sept.		Percentage change July - Sept. 1955 compared with:-	
	1952	1953	1954		1955		1955		1955		1954	1955 ^a	July-Sept. 1954	July-Sept. 1955
			Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.				
United States	285.9	261.5 ^b	231.7	59.9	59.4	59.2	68.8	73.6	69.4	172.5	211.8	+ 17	- 17	- 17
United Kingdom	157.8	192.4	205.2	50.7	47.6	54.6	53.6	50.7	46.2	150.6	150.5	- 3	- 3	- 3
Italy ^e	137.8	154.3	191.3	46.0	48.2	47.8	42.9	44.4	41.4	143.4	128.3	- 14	- 14	- 14
France	113.1	115.2	134.8	34.3	32.2	36.2	34.2	35.9	32.4	98.6	102.5	+ 1	+ 1	- 10
Germany (Federal Republic) ^c	97.1	114.6	116.0	25.6	30.8	32.4	31.8	32.0	40.8	83.6	104.6	+ 32	+ 32	+ 28
Japan	88.7	101.6	112.7	26.8	25.0	28.5	29.1	31.9	32.0	84.2	93.0	+ 28	+ 28	-
Belgium	12.8	21.4	24.0	(5.7)	(5.8)	(7.0)	7.5	9.3	8.2	17.0	25.0	+ 41	+ 41	- 12
Netherlands	19.4	22.6	24.1	5.9	6.2	6.4	5.9	6.3	5.9	17.7	18.1	-	-	- 6
Sweden	17.9	21.6	21.9	5.6	4.7	5.7	(5.5)	(5.3)	(5.3)	16.2	(16.1)	f	f	f
Canada ^d	23.0	22.0	14.2	3.7	3.3	3.8	5.4	5.2	(5.2)	10.4	(15.8)	f	f	f
Total	953.5	1,027.2	1,075.9	266.8	263.2	281.6	284.7	294.6	286.7	794.2	865.7	+ 9	+ 9	- 3

Source: Commonwealth Economic Committee/International Wool Textile Organization

Note: Figures in brackets represent Study Group estimates in the absence of full returns from reporting countries.

^a Provisional.

^b Revised

^c Series revised from 1st quarter 1954.

^d Partial figures - excluding certain materials, principally raw cotton and cotton waste. Inclusion of the latter would probably raise the annual total by approximately 10 million lbs. The figures also exclude consumption in the hosiery industry.

^e Including rayon tops (4.8 million lbs. in 1952 and 6.2 million lbs. in 1953).

^f Not available: estimate included in the total.

TABLE IV - Exports of raw wool from the chief exporting countries
(excluding wool on the skin)

Estimated clean weight - million lb.

	Season a		Percent- age change		1954-55		April - June		July - September			
	1952-53	1953-54	1954-55	compared July- with sept. Dec. Mar.	June	June	1953-54	1954-55	1953-54	1954-55		
Australia	659	645	630	- 2	87	198	184	162	138	106	87	111
New Zealand (revised series)	203	286	302	+ 6	34	62	94	112	91	27d	43d	15d
South Africa	117	126	137	+ 9	13	50	46	28	26	13	43	14
Argentina	297	119	137	+ 15	31	22	41	42	46	15d	22d	24d
Uruguay	142	84	62d	- 26	22	9	15	16d	31	26	22	15b
Petal	1,498	1,260	1,268	+ 1	187	341	380	360	332	187c	167c	179c

SOURCE: Commonwealth Economic Committee

a Commencing 1st July

b Provisional

c Excluding September for New Zealand and Argentina

d July - August

TABLE V - Retained imports of raw wool into the principal importing countries
(excluding wool on the skin)

Estimated clean weight - million lbs.

	Year		1954		1955		January-June		Percentage change				
	1952	1953	1954	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.		April-June	1953	1954	1955
United Kingdom	394	477	394	103	137	72	83	130	108	318	239	238	-
France <u>d</u>	176	209	210	68	66	45	31	59	61	108	134	119	- 11
United States <u>a</u>	367	294	206	48	61	53	44	62	68	175	109	130	+ 19
Germany (Federal Republic) <u>b</u>	74	136	124	29	37	33	25	42	42	83	66	84	+ 27
Italy	96	125	104	34	32	21	17	28	27	69	66	54	- 18
Japan <u>c</u>	86	119	86	23	25	15	23	28	34	67	48	62	+ 29
Belgium <u>b</u>	44	70		15	15	12	11	18	13	41	30	31	+ 3
Netherlands <u>b</u>	17	17	20	5	7	5	3	7	6	11	12	13	+ 8
Canada <u>a</u>	21	22	14	3	5	3	2	6	6	16	8	11	+ 38
Total	1,275	1,467	1,211	328	385	259	239	379	364	888	712	742	+ 4

Source: Commonwealth Economic Committee

a Imports for consumption

b Net imports

c Imports only; exports negligible

d Revised series

TABLE VI - Prices for Dominion Wool

pence per lb. - clean cost c.i.f. in the United Kingdom

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
<u>1952-53</u>											
70's	138	143	147	154	156	158	165	169	174	166	162
64's	126	131	132	137	139	141	146	151	162	153	146
60's	110	114	116	120	120	119	123	129	137	130	130
58's	97	101	101	105	103	102	108	111	122	113	109
56's	79	85 _a	80	83	82	81	85	90	91	90 _a	89
50's	68	74 _a	68	71	68	68	73	76	77	76 _a	74
48's	67	71 _a	67	69	67	67	70	74	75	74 _a	72
46's	66	69 _a	67	69	67	66	69	73	74	73 _a	71
<u>1953-54</u>											
70's	162	162	164	160	156	152	148	150	154	157	142 _b
64's	147	146	145	139	135	130	130	135	140	142	132 _b
60's	130	128	127	124	121	116	116	122	125	128	122 _b
58's	109	115	114	113	111	107	108	114	118	119	111 _b
56's	92 _a	95	93	90	90	89	91	96	99	102 _a	98 _b
50's	77 _a	80	78	73	72	71	75	80	84	90 _a	81 _b
48's	75 _a	78	77	72	70	69	73	79	81	85 _a	78 _b
46's	74 _a	77	76	70	69	68	72	77	79	83 _a	76 _b
<u>1954-55</u>											
70's	136	131	122	128	126	129	124	120	120	120	114 _b
64's	125	118	108	114	113	116	114	112	112	112	107 _b
60's	116	110	101	106	105	107	105	103	103	103	98 _b
58's	108	103	93	99	97	99	96	98	98	98	92 _a
56's	96 _b	88	83	86	88	92	91	91	91	91 _a	86 _b
50's	79 _b	73	70	72	74	78	78	79	80	80 _a	76 _b
48's	77 _b	72	68	70	72	75	77	78	78	78 _a	75 _b
46's	76 _b	71	67	69	71	74	76	76	76	76 _a	74 _b
<u>1955-56</u>											
70's	109	109									
64's	96	97									
60's	83	88									
58's	84	84									
56's	77	79									
50's	68	69									
48's	67	68									
46's	66	68									

a Quotations nominal. b Based on London sales.

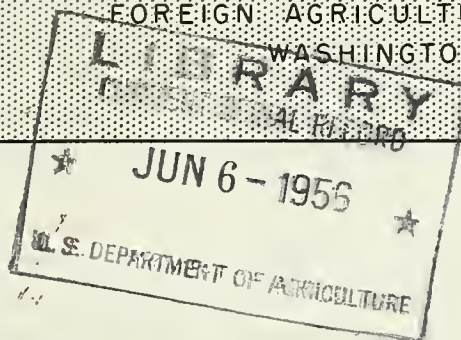
NOTE: August is omitted owing to the absence of sufficient sales in that month to ensure representative quotations.

Source: New Zealand Wool Commission (London Agency).



FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.



FW-2

May 14, 1956

WOOL MOVEMENT FROM SOUTHERN HEMISPHERE

Exports of raw wool from the five major producing countries of the Southern Hemisphere were 18 percent larger during July - December 1955 (includes October-December for Argentina and Uruguay) when compared with the same months of 1954. This reflects an increase in supplies for export and a relatively lower level of prices which apparently have stimulated mill consumption. Australia, New Zealand, and South Africa are experiencing excellent wool growing conditions. Wool production in Uruguay will be about the same as last season, while in Argentina a further slight decline in wool production is expected. Exports from Australia, Uruguay and South Africa increased for the period ending December 31. Shipments from New Zealand and Argentina declined below the levels of a year earlier.

Wool exports from the three British Dominions will be moderately larger for January-June 1956 compared with a year earlier. Australian wools account for most of this increase in supplies. Exportable supplies of wool from Argentina and Uruguay for January-October 1956 also will be moderately larger than a year earlier. Appreciable quantities of the South American wools have been sold for export since January 1. Current prospects are that wool for export in all five countries may be relatively low at the end of the 1955-56 season.

An appreciable increase in Australia's exports of raw wool during July-December 1955 may be attributed to a continuing upward trend in wool production. The 1955-56 clip has been estimated at 1,414 million pounds, greasy basis. This is equivalent to a 10 percent increase in output over last season and more than 30 percent in the last four seasons.

Australia's total wool exports (including raw wool, wool tops and noils) were equivalent to 624 million pounds, greasy basis during July-December. Exports for the same period of 1954 totaled 515 million pounds. Carry-over stocks were relatively low at the beginning of each of these seasons, while estimates indicate Australian mill use at about 90 to 100 million pounds of wool, greasy basis.

Australian exports of wool to the sterling currency areas were about the same during July-December as a year earlier, while shipments to dollar areas increased by 12 percent, and those to all other areas by 36 percent. The largest increase occurred in shipments to France and Japan.

The decline in exports from New Zealand during July-December 1955 reflects smaller shipments to the United States, Canada, United Kingdom and Continental Europe. New Zealand wools have moved readily during recent seasons and this season's clip is expected to move into export channels without any difficulty.

Appreciably larger quantities of New Zealand's wools will be available for export during the last half of the 1955-56 season when compared with a year earlier. Exports in the first half of the season were 9 million pounds less than last season, while the season's clip may exceed that of last year by 10 to 15 million pounds. New Zealand crossbred wools, however, were marketed during the first half of this season at relatively favorable prices compared with merino wools. Increases in world production of merino wools have been proportionally larger than for crossbred wools during recent years.

Larger exports from South Africa reflect increased output and greater interest in the Union's wool clip. During the past two years the United States and some of the Western European countries have increased their wool purchases in South Africa.

Due to increased exports in the first half of the season, moderately less South African wool will be available for export during January-June 1956 than a year earlier. The increase in supplies of similar wools in Australia, however, will more than offset this decline in exportable supplies.

Exports from Argentina during October-December 1955 were below the corresponding months of 1954. This decline may be attributed in part to the uncertainties which confronted exporters in Argentina at the beginning of the 1955-56 season.

The new "Aforo system" which came into effect in Argentina on December 19, 1955 has removed much of the uncertainties from the export market. A new export minimum price, coupled with increases in exchange rates, may through the movement of carry-over stocks result in larger exports for the 1955-56 season compared with 1954-55.

Minimum Aforo (export) prices are established for each type of wool. Export licenses will not be granted for wool sold below the minimum price. Aforo prices are changed periodically in accordance with fluctuation in world prices. Exporters receive payment based on the Aforo value and a net exchange rate of 14.4 pesos to the dollar for scoured wool and 13.5 pesos per dollar for greasy wool. Dollars earned as the result of sales above the Aforo prices may be negotiated by the exporter for pesos at the free market rate (currently about 40 pesos to the dollar).

According to trade sources most of the exportable surplus in Argentina which at the beginning of the season totaled 325 million pounds, greasy basis, (including 73 million of carry-in stocks) will probably be exported by the end of September 1956. As of January 1, 1956 the exportable surplus for the remainder of the season is estimated at 273 million pounds, greasy basis. Preliminary estimates indicated that about 66 million pounds were exported between January 1 and March 15, 1956.

Exports from Uruguay during October-December 1955 were substantially above the relatively low level of exports a year earlier. Sales for export were stimulated by the Government's payments of "additional". Export payments partially offset the low exchange rate for raw wool.

The export payments effective for October-December 1955 for greasy and scoured wools were scheduled to be reduced from 21 centesimos per dollar to 14 centesimos on December 31 and to 7 centesimos on March 31. Payments for wool tops were 14 centesimos, 9.38 centesimos and 4.7 centesimos, respectively. The higher level of payments was continued and extended through March 31. Export payments are scheduled to be discontinued on June 30, 1956.

Uruguay's exportable surplus of wool is smaller than is normal for this time of year. Preliminary estimates indicate that only about 45 million pounds of wool, greasy basis, will be available for export for the period March 1 through September 30, 1956.

A newly inaugurated "Aforo" system, similar to that established in Argentina, has created some problems, especially for exporters of greasy wool. Export prices are established weekly by types for greasy wool, scoured wool and wool tops, but in the case of greasy wool the price is based on scoured yield. Exporters of greasy wool under this method do not know at the time of the sale the actual amount of exchange which they will be required to turn over to the bank in return for the Aforo value in pesos. It is possible that the exporter may in some instances have to purchase exchange in the free market in order to deliver the proper amount of dollars to the bank. Providing exporter sells above the "Aforo" price he earns additional dollars which are negotiable at the free market rate.

TABLE 1.

WOOL: EXPORTS FROM SOUTHERN HEMISPHERE COUNTRIES 1955-56
SEASON THROUGH DECEMBER 1/, WITH COMPARISONS

(actual weights)

Principal Countries of:	Australia		New Zealand		Union of South Africa		Argentina		Uruguay		Total 5 Countries	
Destination	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56
	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.	Mil. Lbs.
United States:	31.8	34.3	7.5	10.8	11.6	11.8	14.4	0.8	7.5	64.5	75.3	
United Kingdom	156.7	156.5	63.3	27.6	29.7	2.7	4.1	3.3	10.5	258.4	264.1	
Canada	2.4	3.6	1.5	0.3	0.5	0	0	-	0	4.9	5.6	
Japan	45.4	81.1	1.0	4.4	3.8	9.0	8.2	1.7	0	61.1	94.1	
U.S.S.R.	0	0	3.8	5.8	12.7	0	0	1.0	2.9	6.8	19.4	
Continental Europe												
France	79.5	115.4	15.2	21.9	25.1	2.1	1.6	0.4	4.1	121.8	161.4	
Belgium	44.7	49.9	2.8	8.0	5.7	0.7	0.7	0.1	1.6	58.3	60.7	
Germany	32.3	40.1	9.1	20.4	20.5	4.3	1.7	1.6	2.3	67.8	73.7	
Italy	43.8	42.0	1.1	10.5	8.1	2.0	0.8	0.8	3.3	60.4	55.3	
Other	18.3	31.1	9.0	4.6	5.7	0.9	1.4	3.5	20.1	36.0	67.3	
Total	218.6	278.5	37.2	65.4	65.1	10.0	6.2	6.4	31.4	344.3	418.4	
Other	15.4	15.2	3.7	0.7	3.9	4.0	3.2	0.3	2.3	25.7	28.3	
Total	470.3	569.2	118.0	115.0	127.3	37.5	36.1	13.5	54.6	765.7	905.2	
Percent of change from 1954-55	+ 21.0%		- 8.8%	+ 10.7%	- 3.7%	+ 304.4%				+ 18.2%		

Season begins July 1 in Australia, New Zealand and Union of South Africa, and October 1 in Argentina and Uruguay.

TABLE 2.

WOOL: EXPORTS FROM PRINCIPAL SOUTHERN HEMISPHERE COUNTRIES,
WOOL YEAR BASIS 1953-1954 and 1954-1955 1/

(actual weights)

Country of Destination	Australia		New Zealand		Union of South Africa		Argentina		Uruguay		Total 5 Countries	
	1953-54	1954-55	1953-54	1954-55	1953-54	1954-55	1953-54	1954-55	1953-54	1954-55	1953-54	1954-55
	mil.	lbs.	mil.	lbs.	mil.	lbs.	mil.	lbs.	mil.	lbs.	mil.	lbs.
United States	72	75	28	33	28	31	93	88	23	14	244	241
United Kingdom	312	324	199	198	63	63	20	52	42	15	636	652
Canada	3	4	4	7	1	1	-	-	-	-	8	12
Continental Europe												
France	170	166	64	67	42	42	21	21	6	3	303	299
Belgium	92	94	12	16	17	16	6	11	2	2	129	139
Germany	57	69	23	34	35	45	19	24	16	7	150	179
Italy	120	94	13	12	30	21	-	3	5	4	168	134
Netherlands	5	4	10	9	2	3	6	6	14	21	37	43
Sweden	2	3	1	1	-	1	-	0	1	2	4	7
Poland	18	16	6	10	-	0	4	6	0	0	28	32
Others	21	27	1	1	1	6	6	7	4	7	33	48
Total Continental												
Europe	485	473	130	150	127	134	62	78	48	46	852	881
Japan	96	125	3	4	5	11	24	15	2	5	130	160
Other Near and Far East	13	3	-	-	-	-	-	-	-	-	13	3
Australia	0	0	6	5	0	-	0	0	0	0	6	5
Union of Soviet Socialist Repub.	57	-	9	3	0	9	0	5	2	3	68	20
All others	21	32	8	6	5	1	4	5	2	2	40	46
Total	1,059	1,036	387	406	229	250	203	243	119	85	1,997	2,020

1/Season beginning July 1 in Australia, New Zealand and Union of South Africa, and October 1 in Argentina and Uruguay.
Dash (-) indicates negligible amount included with "others".

TABLE 3. WOOL: UNITED STATES IMPORTS (DUTY FREE AND DUTIABLE)
BY COUNTRY OF ORIGIN, 1955

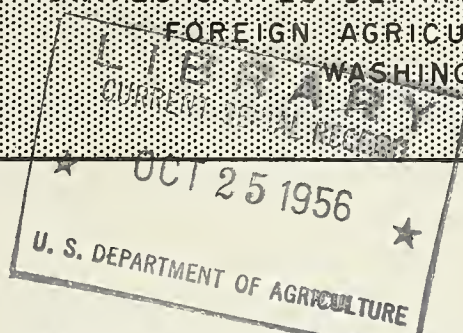
(actual weight)				
Country of Origin	Duty Free	Dutiable		Total Raw Wool
		Carpet	Apparel	
- - - - - '000 pounds - - - - -				
Canada	1	0	706	707
Bahamas	1	0	0	1
Austria	16	0	0	16
Belgium	0	0	221	221
Denmark	32	0	0	32
France	2,117	23	1,078	3,218
Germany, West	288	0	0	288
Greece	246	0	0	246
Greenland	8	0	0	8
Iceland	1,042	50	0	1,092
Ireland	707	40	718	1,465
Italy	1,811	0	1	1,812
Lithuicum	167	0	0	167
Malta	1,011	0	0	1,011
Netherlands	3,519	0	47	3,566
Poland	0	0	3	3
Portugal	1,228	180	31	1,439
Spain	100	70	15	185
Sweden	40	0	0	40
United Kingdom	4,580	186	345	5,111
Yugoslavia	385	0	0	385
Afghanistan	2,678	-	0	2,678
India	12,642	229	0	12,871
Iran	3,319	1	0	3,320
Iraq	12,869	72		12,941
Lebanon	1,242	5	0	1,247
Pakistan	13,923	151	0	14,074
Palestine	88	0	0	88
Syria	13,968	89	0	14,057
Turkey	781	0	0	781
Argentina	87,304	703	16,366	104,373
Brazil	397	0	982	1,379
Chile	0	0	61	61
Paraguay	0	0	15	15
Peru	0	0	295	295
Uruguay	47	0	18,276	18,323
Venezuela	99	0	0	99
Egypt	302	0	16	318
North Rhodesia	1	0	0	1
Union of South Africa	1,528	1,356	27,935	30,819
Australia	463	0	78,296	78,759
New Zealand	16,896	150	19,762	36,808
New Guinea	0	0	8	8
Others	0	0	1	1
Total	185,847	3,305	165,177	354,329

Source: Bureau of the Census Department of Commerce.



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WORLD WOOL PRODUCTION IN 1956

World wool production in 1956 is estimated at 4,865 million pounds, greasy basis, a 4 percent increase over the 4,685 million pounds of a year earlier.* This estimate includes the prospective production in 1956 for the Northern Hemisphere and the 1956-57 output of the Southern Hemisphere. This marks the ninth year of consecutive increase in the world's wool production. The increased production has occurred due to such national incentives as a desire for increasing foreign exchange earnings, increasing domestic requirements, or the profitableness of the sheep enterprise. The larger supplies contributed to a lower level of wool prices in 1955. The decline in prices may have been the principal factor in stimulating mill interest in late 1955.

WOOL: Estimated production, greasy basis, for specified countries, averages 1936-40, 1946-50, annual 1955 and 1956

Country	Averages				Increase (+) or Decrease (-)	
			1955 1/	1956 1/	1956	1956
	1936-40	1946-50			1936-40	1955
	Million pounds	Million pounds	Million pounds	Million pounds	Per cent	Per cent
Australia	1,052	1,060	1,400	1,450	+37.9	+3.6
U.S.S.R.	310	312	500	520	+67.7	+4.0
New Zealand	314	375	460	470	+49.7	+2.2
Argentina	411	450	357	395	- 3.9	+10.6
Un. of So. Africa	252	216	307	315	+25.0	+2.6
United States	425	285	275	275	-35.3	--
Uruguay	126	163	196	198	+57.1	+1.0
All others 2/	1,080	1,010	1,190	1,210	+12.0	+1.7
World Total 2/	3,970	3,870	4,685	4,865	+21.8	+3.8

1/ Preliminary 2/ Rounded to tens of millions of pounds.

* These estimates incorporate for the first time major revisions in data extending back several years for the U.S.S.R., China, and India.

This record production continues the upward trend of recent years and is 22 percent higher than the 1936-40 average. An increase in the 1956 production is expected in the five major producing countries of Australia, U.S.S.R., New Zealand, Argentina and Union of South Africa.

The expansion in Australia may be attributed to the dependency of the national economy on wool for export earnings, pasture improvement, and continued favorable growing conditions. The carrying capacity of pastures in Australia has been greatly enhanced by the mass eradication of rabbits. In New Zealand aerial top dressing of pastures has been significant in expanding production. According to reports it is indicated that the U.S.S.R. and Argentina anticipate an increase in their 1956 wool production which is attributed to ever increasing domestic requirements in the former country and the desire of the latter country to increase export earnings.

The sharp increase in production in Argentina reverses the trend of recent years. Sheep growers reportedly are holding back their new crop of lambs for wool production due to the favorable prices resulting from the upward revision in exchange rates which went into effect at the end of last year. Trade sources indicate that the increase in production will be proportionately greater for coarse wools.

Since 1949 the trend in wool production in the Union of South Africa has been upward. With a moderate increase this year the Union's output will be near the record production of 1932.

The world production of wool on a clean basis as estimated by the Foreign Agricultural Service is equivalent to 2,840 million pounds as compared with 2,715 million pounds in 1955.

World wool consumption in 1955 has been estimated by the International Wool Textile Organization (I.W.T.O.) at 2,620 million pounds, clean basis, as compared with 2,550 in 1954. Consumption of virgin wool in eleven major consuming countries for the first quarter of 1956 is estimated to have risen 10 percent over the corresponding period a year ago. The largest increases were reported in the United States and Japan.

Commercial stocks in major consuming countries declined some 4 percent during 1955 as estimated by the I.W.T.O.

Stocks of wool in most producing countries appear to be relatively low. In Argentina and Uruguay new wool programs recently implemented remove many of the obstacles to export trade which in past years have repeatedly resulted in an excessive carry-over. The carry-over from 1954-55 and the exportable portion of the 1955-56 clip in both countries have moved rapidly into export channels. Barring unforeseen trade difficulties, virtually all of the exportable supply in these countries will be moved by the end of the season.

The major part of the Dominions' wools normally are moved into export channels during the growing season. In Australia, even with all the concern over the shearers strike, a record quantity of wool has been sold at

auction and exports have increased. The increased production in New Zealand and the Union of South Africa has moved into international trade channels without any particular difficulty.

In the Middle East countries, limited restrictions are continued with respect to quantities as well as types available for export. Marketing programs are being developed in some of these countries which probably will result in an orderly movement of more uniform qualities of wool into export channels.

The consumption of raw wool in the United States for the first five months of 1956 was 194 million pounds, scoured basis, as compared with 171 million pounds during the same period in 1955. Consumption of apparel wool is up approximately 10 percent, while carpet wool consumption is 20 percent higher. (See page 6 for U.S. imports by classification or type of wool). Commercial stocks of wool in the United States were virtually the same on April 1, 1956 as on April 1, 1955. A sharp increase in carpet wool stocks was offset by a slight decline in apparel wool stocks.

Prices received for wool through out the world in the 1955 season were generally below those of the previous year. The largest decline occurred in the United States where the new incentive (direct) payment program replaced the 90 percent of parity support program for wool. The former program had maintained U.S. prices comparatively well above world prices during the latter part of the 1954 season. In June of 1956 the price for U.S. wool was somewhat below the world price, especially those of the Australian auctions. Australian prices increased appreciably from April-June 1956, due to a larger volume of purchases by Japan and Western Europe and the uncertainty of the market situation, resulting from the shearers strike.

The outlook for a continuation of the rising trend in world production is favorable. Further expansion is expected in the major producing countries of Australia, New Zealand, and the U.S.S.R. In Argentina the new government policy has created a very favorable "climate" for wool production. In most of the other wool producing countries the recent trend indicates that production will be maintained near current levels or increased.

WOOL: Production In Specified Countries, Greasy Basis
Averages 1936-40, 1946-50, Annual 1953 to 1956 1/

Continent and Country	Averages			1953	1954	1955	1956
	1936-40	1946-50					
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
NORTH AMERICA							
Canada	15.6	12.4	8.6	8.5	9.0	9.0	9.0
Mexico	10.3	11.4	12.8	9.0	8.8	9.0	9.0
United States							
Shorn	360.6	238.5	230.4	232.6	233.4	233.4	233.4
Pulled	64.7	46.5	42.2	43.5	41.6	41.6	41.6
Total	425.3	285.0	272.6	276.1	275.0	275.0	275.0
Estimated Total 3/ 4/	450.0	310.0	295.0	295.0	295.0	295.0	295.0
EUROPE							
France	37.1	30.6	46.3	48.5	48.5	48.5	48.5
Germany, Western	21.7	17.3	12.8	11.9	11.0	10.5	10.5
Greece	19.3	17.4	20.3	23.2	23.4	24.0	24.0
Ireland	17.2	13.1	16.5	17.5	18.5	19.0	19.0
Italy	30.4	30.2	33.7	32.8	30.9	30.9	30.9
Netherlands	6.1	5.4	4.0	4.0	3.5	3.5	3.5
Norway	5.9	6.4	7.9	8.0	8.0	8.0	8.0
Portugal	16.3	18.4	22.5	22.7	22.7	23.0	23.0
Spain	80.0	85.0	94.0	88.2	79.4	88.2	88.2
United Kingdom	110.1	81.2	105.0	108.0	100.0	105.0	105.0
Yugoslavia	34.7	30.0	34.6	36.7	36.3	36.0	36.0
Total Western Europe	390.0	345.0	410.0	415.0	395.0	410.0	410.0
Other Europe 5/	100.0	80.0	95.0	95.0	100.0	100.0	100.0
Estimated Total							
(Excl. U.S.S.R.) 4/ 6/ 7/	490.0	425.0	505.0	510.0	495.0	510.0	510.0
U.S.S.R. (Europe and Asia) 6/							
	310.2	311.5	455.0	450.0	500.0	520.0	520.0
ASIA							
Iran	36.3	29.3	37.5	38.6	40.8	39.7	39.7
Iraq	21.6	27.3	32.5	33.0	33.5	33.5	33.5
Syria	16.7	12.2	20.3	20.5	19.4	20.0	20.0
Turkey	67.7	70.7	81.6	79.7	81.0	81.6	81.6
Afghanistan	15.0	16.4	-	-	-	-	-
China 3/	88.0	75.0	94.0	96.0	99.0	105.0	105.0

ASIA (cont'd)

India	95.0	72.0	72.0	70.0	72.0	74.0
Japan	-	-	5.3	8.3	9.0	10.0
Pakistan	-	26.4	30.0	28.0	30.0	30.0
Estimated Total	375.0	375.0	140.0	440.0	450.0	460.0

SOUTH AMERICA

Argentina	411.0	449.8	400.0	365.0	357.0	395.0
Brazil	35.5	42.7	52.5	52.0	53.0	54.0
Chile	32.6	42.3	39.7	38.6	39.0	39.0
Falkland Islands	4.0	4.2	4.3	5.0	5.0	5.0
Peru	19.4	18.8	20.1	20.3	20.0	20.0
Uruguay	126.2	162.9	202.5	198.4	196.2	198.0
Estimated Total	640.0	735.0	730.0	690.0	685.0	725.0

AFRICA

Algeria	22.6	16.2	29.0	26.0	26.0	26.0
Egypt	7.5	6.7	8.0	8.0	8.0	8.0
French Morocco	35.1	27.2	31.5	36.4	36.0	36.0
Tunisia	12.0	9.9	12.3	11.8	12.0	12.0
Union of South Africa	252.3	215.9	279.0	300.0	307.0	315.0
Estimated Total	335.0	280.0	370.0	390.0	400.0	405.0

OCEANIA

Australia	1,051.9	1,060.0	1,244.0	1,288.0	1,400.0	1,480.0
New Zealand	313.8	375.2	426.0	455.0	460.0	470.0
Estimated Total	1,370.0	1,435.0	1,670.0	1,745.0	1,860.0	1,950.0
Estimated World Total	3,970.0	3,870.0	4,465.0	4,520.0	4,685.0	4,865.0

1/For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/Preliminary. 3/Includes estimates for Newfoundland, Netherland West Indies, Guatemala, and El Salvador. 4/Rounded to fives of millions. 5/Includes the Iron Curtain countries (Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and Eastern Germany). 6/Based on present boundaries. 7/Includes estimates for countries producing 2 million pounds or less, namely Belgium, Denmark, Iceland, Sweden, and Switzerland. 8/Includes China Proper (22 provinces) Manchuria, Jehol, and Sinkiang (Turkestan). 9/Includes Pakistan. 10/Includes estimates for Afghanistan, Cyprus, Palestine, Transjordan, Outer Mongolia, Tibet, Nepal and China. 11/Includes relatively small production in Bolivia, Colombia, Ecuador, Paraguay and Venezuela. 12/Excludes karakul wool; includes Union of South Africa, Union Protectorate, and South West Africa. 13/Includes estimates for Kenya, French West Africa, and Togo.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other U.S. representatives abroad, results of office research and other information. Estimates for countries having charged boundaries have been adjusted to present boundaries except as noted. - June 1956.

United States: Imports of duty-free and dutiable wool, clean basis, by country of origin, averages 1936-40 and 1946-50, annual 1953-55, January-May 1955-56. 1/

(Thousand pounds)							
Country	1936-40	1946-50	1953	1954	1955	Jan.-May 1955	Jan.-May 1956
Duty-free			<u>Donskoi, Smyrna, Cordova, etc.</u>				
Argentina	26,831	24,602	15,454	10,082	13,124	7,349	1,577
India & Pakistan	16,485	20,375	14,800	14,292	21,203	8,274	11,226
Iraq	6,957	7,743	9,076	7,377	11,019	3,634	3,482
Syria	5,879	7,362	9,054	7,584	11,540	3,540	3,723
United Kingdom	7,508	2,972	1,323	952	1,464	899	850
Others	26,080	27,195	19,387	15,318	16,419	7,136	5,348
Total	89,740	90,249	69,094	55,605	74,769	30,832	26,206
			<u>Not finer than 40's</u>				
Argentina	1,789	70,609	45,350	35,156	44,602	18,386	30,849
New Zealand	954	10,771	9,799	8,967	10,234	2,981	7,994
United Kingdom	226	1,118	1,214	788	2,325	764	1,546
Others	285	2,656	3,153	1,567	4,049	1,176	3,340
Total	3,254	85,154	59,516	46,478	61,210	23,307	43,729
Total duty-free	92,994	175,403	128,610	102,083	135,979	54,139	69,935
Dutiable			<u>Donskoi, Smyrna, Cordova, etc.</u>				
Argentina	2,654	571	594	317	478	146	151
India & Pakistan	693	125	199	60	298	101	28
Union of So. Africa	3	75	562	655	867	324	672
United Kingdom	1,085	64	60	64	141	78	89
Others	1,158	286	887	616	523	245	183
Total	5,593	1,121	2,702	1,712	2,307	894	1,123
			<u>Not finer than 40's</u>				
Australia	121	354	140	17	40	40	60
New Zealand	1,062	663	3,869	1,557	2,670	975	3,030
Uruguay	812	344	247	133	146	73	64
Argentina	8,345	19,810	16,261	6,733	6,458	3,333	3,561
Others	1,258	509	1,231	687	815	227	846
Total	11,598	21,680	21,748	9,127	10,129	4,648	7,561
			<u>40's to 44's</u>				
Australia	78	332	179	101	12	12	11
New Zealand	1,179	5,392	7,661	4,737	3,683	1,787	2,151
Uruguay	1,490	1,641	696	126	119	53	61
Argentina	1,172	5,502	822	426	377	191	180
Others	592	330	399	155	218	97	77
Total	4,511	13,197	9,757	5,545	4,409	2,140	2,480
			<u>44's to 56's</u>				
Australia	1,829	5,368	3,957	1,853	2,659	1,027	1,525
New Zealand	1,834	12,003	9,395	7,838	6,314	2,731	3,606
Uruguay	7,711	7,023	3,323	1,546	834	496	1,168
Argentina	4,596	12,070	9,463	3,147	2,165	1,361	901
Others	4,164	6,103	2,671	1,637	1,255	666	722
Total	20,134	42,567	28,809	16,021	13,227	6,281	8,222
			<u>Over 56's</u>				
Australia	18,198	102,420	42,008	40,522	49,991	22,740	20,713
New Zealand	152	2,665	1,748	1,998	2,230	1,089	791
Un. of So. Africa	8,218	23,651	10,016	13,095	15,409	9,258	7,720
Uruguay	7,623	42,816	24,470	9,994	10,822	4,634	10,760
Argentina	12,240	19,366	21,633	3,899	2,366	1,421	1,157
Others	2,857	6,025	2,711	1,859	1,371	520	555
Total	49,288	196,943	102,586	71,367	82,189	39,662	41,696
Total Dutiable	91,124	275,508	165,602	103,772	112,261	53,625	61,082
Grand total all wool	184,118	450,911	294,212	205,855	248,240	107,764	131,017

1/ Duty-free imports are primarily for use in carpets and dutiable in apparel.

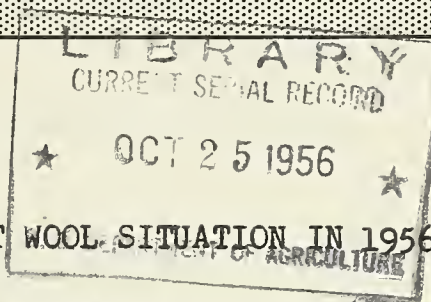
Compiled from the official records of the Bureau of the Census.



FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
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August 30, 1956

WORLD CARPET WOOL SITUATION IN 1956*

The World production of carpet wool in 1956 is estimated at 1,130 million pounds as compared with 1,090 million pounds in 1955. This estimate which includes coarse wool from native or unimproved sheep suitable for carpet wool production represents 23 percent of the world's wool. It excludes wool from sheep of Merino or English breeding finer than 40's and Karakul. Approximately one-fourth of this production is in Communist countries which do not export any substantial quantities to countries outside the satellite orbit.

The outstanding features of the carpet wool situation in 1956 are increased demand in most consuming countries, the sharp increase in available supplies in Argentina, and the continued diversion of apparel type crossbred wool for use in carpet manufacture in the United Kingdom.

The demand for carpet wool continues to be relatively strong in the major consuming countries. Consumption in the United States has risen sharply during the first six months in 1956. Mill consumption of 76 million pounds from January-June was up 17 percent over the same period in 1955. Consumption reached 132 million pounds in 1955 compared with the 1934-38 average of 88 million pounds and the record 208 million pounds in 1948. In the United Kingdom wool consumed in carpet yarn reached 58 million pounds in 1955, slightly higher than in 1954. Trade data indicate that Japan and some Western European countries are also expanding their carpet industries.

Imports of carpet wool into the United States in the first six months of 1956 were 24 percent above those of the corresponding period in 1955. The largest proportionate increase was in imports of duty-free wool not finer than 40's which increased 69 percent to more than offset the decline in imports of duty-free wool such as Donskoi, Smyrna, etc. Stocks of carpet wool in the United States were slightly higher at the end of 1954. Prices of carpet wool in the United States in early 1956 were slightly below 1955 levels.

* Production estimates included in the report are on the grease basis, consumption and stocks on a scoured or clean basis and trade on actual weight basis.

Imports of wool other than Merino or crossbred into the United Kingdom in 1955 were slightly below the postwar peak of 1954. Stocks of wool in the United Kingdom other than Merino, which includes crossbred, was estimated as being 12 percent higher in April, 1956 than April, 1955.

SITUATION IN PRODUCING COUNTRIES

Argentina

Argentina is the most important exporter of carpet wool and is second to the U.S.S.R. as a producer. Carpet wool production is estimated at 120 million pounds for 1956 as compared with 105 million pounds in 1955. This sharp increase reverses the downward trend of recent years.

Wool prices in Argentina have been substantially higher this season as a result of the upward revision in exchange rates for exports, and growers are holding their lamb crop for wool production.

"Criolla" and course crossbred wools are the carpet type wools, which normally include about 30 percent of the total wool clip.

The majority of the carpet wool is exported to the United States, although there are indications in the early part of 1956 that the United Kingdom is re-entering the Argentine market.

The export demand is usually stronger for carpet wool than for apparel wool primarily because of the comparatively lower export (aforo) price as well as the steady demand in the United States. For the same reason the Argentine carry-over of carpet wools has tended to be relatively smaller than for apparel types. Stocks of carpet types appear to be relatively low at the present time and the heavy increase in exports due to the favorable exchange rate indicates that most of exportable surplus will be moved by the end of the current season.

India and Tibet

Wool production in India is estimated at 74 million pounds in 1956, a 2 million pound increase over 1955. Indian wool is virtually all carpet type, although Joria, Bikaner, and Pashmina wools are used for other purposes. There is an export ban on Pashmina because it is used in the domestic industry in making blankets and clothing.

Exports of raw wool in 1955 totaled 33.7 million pounds as compared with 30.8 million pounds in 1954. Practically all of this supply goes to the United Kingdom and the United States. In addition to exports of raw wool, India also exported 9.7 million pounds of carpets and re-exported 3.4 million pounds of raw wool in 1955. The re-exports were largely wool from Tibet which moves overland via Kalimpong to Indian ports. The U.S. now bans imports from Tibet and most of this wool is shipped to the

United Kingdom and Belgium. A decline in re-exports in 1955 indicates that China and other Communist countries are purchasing more of this wool.

India is attempting to improve the reputation of its wool in foreign markets by using a wool grading scheme. This act requires all wool exported to be graded and marked according to government prescribed standards and certified by the Agricultural Marketing Advisor.

Approximately half of the Indian wool clip is consumed domestically, largely in the cottage industry. To protect the domestic industry, the government uses an export quota system. Quotas are allotted to exporters in proportion to a given base period with special dispensation for newcomers to the trade.

Indian wool prices remained relatively steady in 1955. Prices in December, ranging up to 84 cents per pound for East Indian washed wool were about the same as a year earlier.

The wool merchants in Kalimpong reportedly are paying Tibetan caravan traders 43-47 cents per pound for greasy wool depending upon the quality of the caravan shipment. Shipments from Tibet are by pack animals with usually one hundred or more to a caravan. Each animal carries about 165 pounds of wool. A recent increase in Kalimpong wool prices is reportedly due to the increased interest shown by West Germany and the U.S.S.R. in Tibetan wool.

Pakistan

Production of wool in Pakistan is preliminarily estimated at 30 million pounds in 1956.

Although domestic consumption has increased in recent years most of the wool produced in Pakistan is normally exported. Exports of virgin wool from Pakistan in 1955 totaled 23.6 million pounds as compared with 21.6 million pounds in 1954. This includes re-exports, most of which is wool from Afghanistan shipped through Pakistan which totaled 3.1 million pounds in 1954. Imports of wool and wool tops also increased in 1955.

Wool production in Pakistan is carried on by nomadic tribes who pasture an estimated 6.4 million sheep. In the interest of improving the quality of the wool for export, a Wool Shearing Scheme is under consideration whereby the government will assume responsibility of shearing, collecting, preparing, and marketing the wool for the herders.

A wool grading scheme went into effect in 1954 which requires all wool entering trade channels to be graded. This has improved the reputation of Pakistan wools in foreign markets and may be a chief reason for the increase in exports in 1955.

The first trade and payments agreement between Pakistan and the U.S.S.R., which includes wool, was announced June 27.

The new Five-Year Plan in Pakistan contains proposals to develop other breeds of sheep for production of fine wools to be used in the domestic industry as well as to maintain the present breed for carpet wool. Exports of carpet wool are important to the economy of the country as wool ranks third in foreign exchange earnings.

Syria and Lebanon

Wool production in Syria has been estimated at 19.4 million pounds for 1956. In Syria, like other Asiatic countries, wool production is carried on by many nomadic tribes which makes an accurate census practically impossible. Sheep are often driven across borders for shearing when market prospects in surrounding countries are more favorable.

Most of Syria's wool production is normally exported, the bulk of it going to the United States. In 1955 Syria was the third ranking supplier of U.S. carpet wool.

Lebanon is normally the second largest importer of Syrian wool, most of which is re-exported to the U.S. Exports to the U.S. have declined in recent years to 1.2 million pounds in 1955.

According to trade sources Syria and the U.S.S.R. have concluded a trade agreement which includes wool. It is too early to determine what effect, if any, this agreement will have upon the supply of wool available to the U.S., but exports to the United States for the first five months of 1956 were 3.7 million pounds as compared with 3.5 million pounds during the same period in 1955.

Irag

Iragi sheep are the Asiatic type which produce a strong, coarse wool suitable for carpets. Wool production is preliminarily estimated at 33.5 million pounds in 1956 as compared with 33 million pounds in 1955. When prices were exceptionally high in 1950-51 a great many mattresses were torn up, as in other Middle East countries and this additional reproduced wool also entered the market.

Iragi statistics do not reveal the complete export picture, as wool shipments to neighboring countries are often not reported and "smuggling" is conducted on a large scale. The U.S. is the favorite export market, taking an estimated 50 percent of the total.

It is estimated that Irag consumes 10 percent of its wool production in the textile and cottage industries. The wool textile industry consists of two large and one small firm which makes overcoats, blankets, coarse cloth, and yarn. These firms normally import most of their needs since the native wool is too coarse for textile use.

Iran

Wool production in Iran is preliminarily estimated at 39.7 million

pounds in 1956 as compared with 40.8 million pounds in 1955. Unfavorable weather conditions were the main reason given for lowering the estimate this season. Production in recent years has been fairly constant and is now slightly above prewar levels.

About 26 million pounds of wool is normally consumed domestically in Iran, about 30 percent being made into the famous Persian carpets which have been known in world trade since the Middle Ages. These carpets are still largely produced in private homes by women and children. Since World War I, Iran's export trade in carpets has assumed a position of importance in the country's economy as an earner of foreign exchange second only to oil. With increased industrial development it is assumed that carpet weaving in the cottage industry will decline. This may release more wool for export.

Exports of raw wool from Iran in 1954 were 16 million pounds as compared with 22 million pounds in 1953. Practically all of Iran's exports are shipped to the U.S.S.R. and the United States. A preliminary estimate for wool exports in 1955 is 18 million pounds. An increase is expected in shipments to the U.S.S.R. as exports to the United States declined in 1955. In 1954 Iranian exports to the U.S.S.R. and the United States were 78 and 17 percent respectively.

China

The Chinese wool production is preliminarily estimated at 105 million pounds in 1956. This estimate is based on the reported increases in sheep numbers which continues the upward trend of recent years.

China, prior to World War II, was an important source of carpet wool and in 1928 exported 52 million pounds to the United States. Imports from this source ceased in 1953 when a ban was placed on trade with China. Before the war much of the wool exported went to the U.S.S.R., and probably even a larger proportion is shipped there now.

Other Countries

Countries of lesser importance as suppliers of carpet wool include the United Kingdom, Ireland, Union of South Africa, and the North African and Middle Eastern countries which have been excluded from the above discussion.

SITUATION IN CONSUMING COUNTRIES

United States

The United States is the most important consumer of carpet wool and imports virtually all of its requirements. Consumption of carpet wool in 1955 was 132 million pounds as compared with 115 million pounds in 1954. Consumption is still substantially below the record of 208 million pounds in 1948, which is attributed to pent-up wartime demand. In 1951 there was a sharp decline because of unusually high prices, and carpet manufacturers turned to man-made fibers. Lower prices in 1954 and 1955

have spurred an increase in the use of carpet wool. Carpet wool consumption is up 17 percent for the first six months of 1956 as compared with the same period in 1955.

Imports of carpet wool in 1955 totaled 186 million pounds actual weight, an increase of 28 percent over 1954. Argentina has been the principal source of U.S. carpet wool for two decades, supplying 47 percent of the carpet wool imports in 1955.

New Zealand, Pakistan, Syria, India, and Iraq are the other important U.S. sources, supplying an additional 38 percent in 1955. New Zealand normally is not considered a producer of carpet wool, but they are the second largest source of U.S. imports. Less than 1 percent of New Zealand's wool clip is classified as 40's and coarser. Most of their carpet wool is made up of crutchings or locks from wool fleeces finer than 40's.

The U.S. imports are about equally divided between "unimproved" wools and improved wools not finer than 40's. For use in carpets improved wools not finer than 40's are usually blended with the unimproved wools since the latter provides a more satisfactory and longer wearing nap on carpets and rugs.

Commercial stocks of carpet wool at the end of 1955 were 34 million pounds, a slight increase over the 30 million pounds of the previous year.

Carpet wool prices in July remained virtually at the same level as for previous months in 1956, but somewhat below last year's prices. Boston wool market quotations for New Zealand crutchings were 83-85 cents per pound. Buenos Aires fleeces were quoted at 80 cents and white Aleppo wools 88-89 cents. Pakistan and India white Vicanere wools were 87½ cents and yellow Vicanere 77 cents clean fibers for shipment.

Another salient feature of U.S. carpet wool situation is a substantial increase in imports of manufactured wool carpets. Imports of wool and hair carpets, principally from Belgium and the United Kingdom reached a record of 6,236,000 square yards in 1955.

United Kingdom

Consumption of carpet wool in 1955 totaled 57.8 million pounds. This is about the same as in 1954 and the prewar level. In the United Kingdom the postwar recovery of the carpet industry has been more gradual than in the United States.

Imports of carpet wool into the United Kingdom were 42 million pounds in 1955, which is lower than the postwar peak of 45 million pounds in 1954 and considerably below prewar level of 73 million pounds. Imports by country of origin are not available for the past two years, but 1953 figures indicate that India and Pakistan supply 65 percent of the carpet type wools. Other important sources are Ireland, the Union of South Africa and Argentina. These imports do not include crossbred wool of apparel quality which is used in carpet weaving. Most of this crossbred wool is supplied by New Zealand and Argentina.

India and Pakistan have traditionally been the leading source of carpet wool, but in recent years the carpet industry has been relying more heavily upon wool other than the usual carpet types. In 1955, Indian and similar wools accounted for only 32 percent of consumption while the remainder was composed of British Dominion and South American wools. Although these countries do produce some carpet wool, 29 percent of the carpet wool consumed was reported as being apparel quality of 46's or finer.

No estimate of carpet wool stocks is available for the United Kingdom. Stocks of wool other than merino, which includes crossbred, were estimated by the Wool Industry Bureau of Statistics as 163 million pounds in April, 1956. This represents an increase of 12 percent over those of April, 1955.

U.S.S.R.

Production in the U.S.S.R., the world's largest producer of carpet wool, is preliminarily estimated at 173 million pounds in 1956 or one-third of their total production.

In addition to domestic production, the U.S.S.R. normally imports substantial quantities of carpet wool from the bordering countries of Iran, Afghanistan, Turkey, China, and Mongolia. Apparently Indian and Tibetan wool are being imported at the present time.

Imports of wool into the U.S.S.R. are very irregular. The reason for the spasmodic buying may be changes in domestic production, textile operations, or changes in stocks.

The new Five-Year plan calls for an 82 percent increase over 1955 in wool output by 1960 with the emphasis on increasing fine-wool production. If this level of production is attained imports undoubtedly would decline.

Other Countries

Other consuming countries of lesser importance are the countries of Western Europe, Iran, India, and Japan. According to trade data the largest increases in production of wool carpets occurred in Japan and Belgium (See Table 5).

TABLE 1. CARPET WOOL: ^{1/} Production in specified countries and estimated world total, greasy basis, averages 1936-40 and 1946-50, and annual 1953-56

Country	: 1936-40	: 1946-50	: 1953	: 1954	: 1955	: 1956
	:	:	:	:	:	:
	(Million pounds)					
	:	:	:	:	:	:
U.S.S.R.	108	104	152	150	167	173
Argentina	132	144	120	110	105	120
China	88	75	94	96	99	105
Turkey	68	71	82	80	81	82
India	95	72	72	70	72	74
Iran	36	29	38	39	41	40
French Morocco . . .	35	27	32	36	36	36
Iraq	22	27	32	33	34	34
Union of So. Africa:	25	22	28	30	31	32
Pakistan	-	26	30	28	30	30
Spain	27	27	31	29	26	29
Algeria	23	16	29	26	26	26
Syria	17	12	20	20	19	20
Afghanistan	15	16	18	18	18	18
United Kingdom . . .	16	14	15	16	14	16
Peru	13	14	14	14	14	14
Brazil	12	11	12	13	13	13
Tunisia	12	10	12	12	12	12
Greece	19	17	13	12	11	10
Italy	10	10	11	11	10	10
Japan	-	2	5	8	9	10
Egypt	8	7	8	8	8	8
Portugal	5	6	8	8	8	8
Ireland	4	3	4	4	5	5
Mexico	5	3	6	4	4	4
Total	795	765	886	875	893	929
Estimated world total	970	965	1,080	1,070	1,090	1,130

^{1/} Donskoi, Smyrna, Cordova and similar wools without merino or English blood and other wool not finer than 40's eligible for duty-free entry into the United States for use in carpets and other floor coverings, press cloth, camel's hair belting, knit or felt boots, and heavy lumberman's socks.

TABLE 2. UNITED STATES: Imports, consumption, and stocks of carpet wool, average 1934-38, annual 1950-55

Year	Imports 1/	Consumption 2/	Ending Stocks 3/
	(Million pounds)		
1934-38	4/ 89	4/ 88	4/5/ 32
1950	217	198	N.A.
1951	89	102	38
1952	119	120	43
1953	129	136	42
1954	102	115	30
1955	136	132	34

1/ Imports of duty-free wool, clean basis.

2/ Carpet class wool, scoured basis.

3/ Commercial stocks, clean basis, held by dealers and manufacturers on December 31.

4/ Includes only Donskoi, Smyrna, and similar native and unimproved wools.

5/ 1935-38 average.

TABLE 3. UNITED KINGDOM: Imports of carpet type wool, actual weight, by country of origin, average 1934-38, annual 1950-53 1/ 2/

Country	1934-38	1950	1951	1952	1953
	(Thousand pounds)				
India	40,101	9,876	12,300	16,219	15,268
Pakistan	2/	18,710	12,503	7,804	11,538
Ireland	6,809	3,716	2,124	2,870	5,265
Argentina	13,439	701	2,932	1,015	2,188
Un. of So. Africa	-	3,257	3,047	4,356	1,432
Italy	-	89	126	251	928
France	1,367	298	245	710	464
Belgium	-	260	375	510	242
Peru	1,036	348	116	-	49
Others	9,966	3,175	2,759	1,156	3,890
Total	72,718	40,430	36,527	34,891	41,264

1/ Wool other than merino or crossbred.

2/ Imports by country of origin not available for 1954 and 1955. Total imports of carpet type wool were 45,201,000 pounds in 1954 and 42,426,000 pounds in 1955.

3/ Included with India.

TABLE 4. UNITED STATES: Imports of duty-free, carpet type wool, actual weight, by country of origin, annual 1938 and 1950-55 1/

Country	1938	1950	1951	1952	1953	1954	1955
				(Thousand pounds)			
Argentina.	25,040	140,970	37,069	51,933	98,914	71,841	87,304
New Zealand.	2,504	42,332	9,251	25,554	16,774	13,703	16,896
India	14,198	13,976	6,000	22,367	8,710	11,081	12,642
Pakistan	2/	11,495	5,821	17,302	10,323	7,397	13,923
Syria	5,175	13,603	16,663	10,875	11,042	9,148	13,968
Iraq	2,755	10,644	8,250	6,760	11,121	8,669	12,869
Iran	--	6,822	7,505	3,016	7,568	4,059	3,319
Egypt	2,548	639	142	779	663	687	302
Lebanon	--	4,036	5,458	2,645	1,341	1,254	1,242
Afghanistan	--	3,004	4,202	3,944	4,589	2,694	2,678
United Kingdom	7,526	8,120	2,738	6,230	3,173	2,282	4,580
Ireland	677	1,051	147	1,388	949	438	707
Un.of So.Africa	891	3,089	618	705	1,352	1,366	1,528
Australia	--	538	103	99	138	22	463
Uruguay	202	431	239	165	266	--	47
Turkey	501	6,884	8,294	752	1,065	75	781
Portugal	272	2,362	670	793	2,003	1,310	1,228
Italy	225	5,019	3,443	3,242	1,960	1,566	1,811
Spain	--	1,155	2,138	52	132	--	100
France	3,685	1,240	286	867	667	1,395	2,117
Iceland	23	140	627	722	491	662	1,042
Netherlands	--	216	66	72	48	1,009	3,519
Malta	--	1,365	454	361	24	813	1,011
West Germany	--	34	120	651	581	157	288
China	2,152	34,503	5,097	701	84	--	--
Yugoslavia	--	--	--	373	3,209	1,357	385
Others	1,647	1,465	748	921	859	1,782	1,096
Total	70,021	315,133	126,149	165,269	188,046	144,767	185,846

1/ Includes duty-free carpet wool and other wool not finer than 40's admitted duty free.

2/ Included with India.

TABLE 5. WOOL CARPETS: International trade for specified countries, average 1934-38, annual 1950-55.

	1934-38	:	1950	:	1951	:	1952	:	1953	:	1954	:	1955
<u>Exports</u> (Thousand pounds)													
Un. Kingdom	:18,298	:	41,320	:	46,080	:	22,202	:	23,617	:	2/8,750	:	2/8,180
Belgium	: 4,409	:	14,840	:	15,040	:	12,760	:	19,360	:	19,700	:	25,260
India	: 9,921	:	14,090	:	11,590	:	7,120	:	N.A.	:	9,625	:	9,649
Iran	: 7,716	:	10,140	:	9,034	:	8,763	:	11,167	:	10,044	:	N.A.
Netherlands	: 220	:	2,890	:	3,500	:	2,270	:	2,400	:	1,670	:	1,560
France	: 1,102	:	3,580	:	2,930	:	1,830	:	2,600	:	2,540	:	3,070
W. Germany ^{1/}	: 4,189	:	710	:	1,400	:	710	:	1,380	:	2,360	:	3,550
Italy	: 220	:	760	:	790	:	1,270	:	2,167	:	2,253	:	N.A.
Japan	: N.A.	:	N.A.	:	3,214	:	2,139	:	2,753	:	3,231	:	7,875
<u>Imports</u> ^{3/} (Thousand pounds)													
U.K.	:18,960	:	17,000	:	21,099	:	6,277	:	8,671	:	2/1,792	:	2/1,672
Switzerland	: 1,323	:	4,460	:	4,340	:	3,830	:	4,560	:	4,810	:	5,100
Netherlands	: N.A.	:	6,040	:	3,560	:	1,500	:	1,930	:	2,770	:	3,290
W. Germany ^{1/}	: 1,102	:	1,710	:	2,530	:	7,550	:	9,340	:	9,100	:	10,160
(Thousand Sq. Yards)													
Australia	: 2,600	:	6,660	:	7,370	:	6,580	:	4,655	:	5,851	:	N.A.
U.S.A.	: 1,400	:	4,707	:	3,607	:	3,761	:	4,592	:	4,350	:	6,236
New Zealand	: 1,000	:	1,480	:	2,712	:	2,685	:	1,113	:	1,619	:	1,760
Canada	: N.A.	:	1,850	:	1,780	:	1,580	:	2,430	:	1,950	:	2,250

^{1/} Includes carpets made from fibers other than wool.

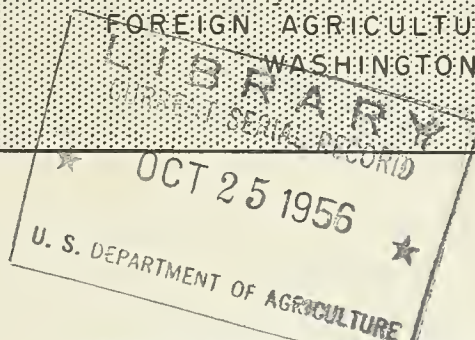
^{2/} Thousand sq. yards

^{3/} Imports expressed in square yards and pounds depending on bases used by importing country.



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WORLD MOHAIR SITUATION

The world production of mohair* has increased from an estimated 31 million pounds in 1950 to 43 million pounds in 1955. This rise in production may be attributed to an increasing demand for a relatively limited supply and unusually high prices in the world market during recent years. Mohair prices, which have been characterized by periodic fluctuations, attained record peaks in 1951 and 1954. Prices have generally declined since 1954, but are still very favorable in comparison with current wool prices and mohair prices prior to 1950.

Turkey, South Africa, and the United States are virtually the only sources of mohair in the world. Exports from each of these countries in 1955 were higher than for the previous year. The United States was a net importer until 1953 but became an important supplier in 1955.

Consumption of mohair is concentrated in the United Kingdom and the United States. Consumption in the United States has declined sharply in recent years. Turkey has become an important consumer and now utilizes half of their production in their expanding textile industry.

Imports of mohair into the United Kingdom have been increasing in recent years and in 1955 were the highest since 1933.

Stocks of mohair in the United States on April 1, 1956 were the largest since 1950. The same trend is evident for stocks reported for the United Kingdom.

*Mohair is the fleece of Angora goats which are indigenous to the Turkish steppes. Angora goats thrive on the hot, dry climate and rugged terrain characteristic of the Turkish plateau, South African Cape and South-western United States. Production of mohair in other areas of the world is insignificant and not included in the estimate of world production.

Situation in Producing Countries

World production of mohair in 1955 was estimated at 43.1 million pounds or slightly below the record clip of 43.6 million in 1941. World production of mohair has shown a continuous upward trend since 1950. Preliminary reports for 1956 indicate production may decline in Turkey and South Africa, but continue to increase in the United States.

MOHAIR: Production of major producing countries,
averages 1935-39 and 1945-49, annual 1950-55

Year	: Turkey	: United States	: Union of South Africa ^{1/}	: Basutoland	: Total
	:	:	:	:	:
	:	:	(Million pounds, greasy basis)	:	:
1935-39 avg.	: 15.3	: 16.8	: ^{2/} 4.1	: ^{2/} .9	: 37.1
1945-49 avg.	: 13.3	: 17.7	: 3.7	: 1.5	: 36.2
1950	: 12.9	: 13.2	: 3.5	: 1.5	: 31.1
1951	: 14.9	: 12.9	: 5.8	: 1.4	: 35.0
1952	: 16.4	: 12.2	: 5.3	: 1.2	: 35.1
1953	: 16.5	: 12.8	: 6.2	: 1.2	: 36.7
1954	: 16.6	: 14.6	: 6.5	: 1.1	: 38.8
1955	: 17.5	: 16.9	: 7.6	: 1.1	: 43.1

^{1/} For season ending June 30 of year shown. ^{2/} 1937-39 average.

Turkey

Turkey is the leading producer and exporter of mohair in the world. Turkish production in 1955 was 17.5 million pounds as compared with 16.6 million pounds the preceding year. A preliminary estimate for 1956 indicates a decline to about 16 million pounds.

The rise in production in recent years has been small in comparison with the rise in prices. The average wholesale price of mohair in Istanbul reached a new peak of \$1.38 per pound in 1955. This is more than five times higher than the 1946-49 average price. The average export price was 98 cents in 1955. This was below the 1951 record price of \$1.18 but almost three times more than the 1946-49 average.

TURKEY: Average wholesale and export prices of mohair,
average 1946-49, annual 1950-55. 1/

Year	Average wholesale price		Average export price	
	Istanbul	Ankara		

(Cents per pound)

1946-49	26	23	35
1950	72	52	69
1951	97	91	118
1952	71	70	83
1953	92	88	102
1954	121	118	105
1955	138	125	98

1/ Official exchange rate 35.7 cents per 100 kurus.

Exports from Turkey in 1955 were 8.6 million pounds, almost half of the annual production. This is a partial recovery of the decline from 10 million in 1953 to 7.3 million pounds in 1954. The demand for mohair declined due to larger supplies of wool at lower prices. Exports to the United Kingdom of 6.3 million pounds in 1955 were practically the same as in 1954. Substantial increases occurred in shipments to East Germany and the U.S.S.R. which received a combined total of 1.8 million pounds in 1955.

TURKEY: Exports of mohair actual weight by country of destination,
annual 1938 and 1950-55. 1/

	annual 1958 and 1959-60, 1961-62	1938	1950	1951	1952	1953	1954	1955
(Thousand pounds)								
United Kingdom	: 397: 4,148: 1,638: 4,011: 7,335: 6,361: 6,290							
	: 2/ : : : : : :							
East Germany	: 2,992: -- : -- : -- : -- : 220: 1,022							
	: : : : : : :							
U.S.S.R.	: 2,017: -- : 265: 835: 651: 449: 824							
	: : : : : : :							
Spain	: -- : -- : -- : -- : 99: 35: 133							
	: : : : : : :							
Italy	: 578: 90: 85: 283: 197: 74: 83							
	: : : : : : :							
Netherlands	: -- : -- : 188: 30: 14: 6: 82							
	: : : : : : :							
United States	: 19: 2,054: 1,438: 1,102: 171: 59: 73							
	: : : : : : :							
France	: 173: 786: 629: 350: 758: 79: 22							
	: : : : : : :							
Others	: 300: 907: 496: 488: 749: 37: 93							
	: : : : : : :							
Total	: 6,476: 7,985: 4,739: 7,099: 9,974: 7,320: 8,622							

1/ (—) indicates negligible or, if any, included with others.

2/ Germany for 1938.

United States

Production of mohair in the United States of 16.9 million pounds in 1955 was 16 percent higher than in 1954. It seems probable that production will approximate 18 million pounds in 1956.

Practically all of the mohair in the United States is produced in Texas where growers have been increasing their goat numbers in recent years because of the favorable prices for mohair coupled with low prices for wool and cattle. The average price paid to growers for mohair in 1955 was 82.2 cents per pound compared with 72.4 cents in 1954. The national average support price for 1956 is 70 cents per pound, grease basis. Support, if necessary, will be in payments based on the percentage needed to bring the average price paid producers up to the support level. If present prices continue, the average price will be above the support level.

The outstanding feature of the mohair situation in the United States has been the change in the trade balance in that the United States exported more than one-third of its production in 1955 to become a net exporter of mohair for the third consecutive year. The United Kingdom and The Netherlands with 3.9 and 1.8 million pounds, respectively, received most of these exports. Exports for the first five months of 1956 were 4.8 million pounds as compared with 2.8 million pounds during the same period of 1955.

UNITED STATES: Exports of mohair, actual weight, by country
of destination, annual 1950-55 1/

Country	1950	1951	1952	1953	1954	1955
(Thousand pounds)						
United Kingdom	26	14	6	170	1,017	3,866
Netherlands	--	--	--	268	1,053	1,765
Belgium	--	--	--	257	254	227
Canada	77	30	17	103	142	107
Others	9	1	1	85	69	87
Total	112	45	24	883	2,535	6,052

1/ Includes alpaca and other wool-like specialty hair.

Union of South Africa and Basutoland

Production of mohair in South Africa in 1955 was 7.6 million pounds which continues the upward trend of recent years. Basutoland's annual production is approximately 1.1 million pounds.

South African production of mohair reached its peak in 1912 when the output was 23.4 million pounds or almost 60 percent of world production. With large scale substitution of Merino sheep for Angora goats, production declined sharply after World War I and in 1950 the Union produced only 3.5 million pounds.

Unusually high prices have been the main stimulating factor contributing to increases in output since 1950. The record price of \$3.49 cents per pound was received for summer cape kid hair, considered the world's finest, in 1956.

The available information, however, indicates a substantial decline in production for the season ending June 30, 1956. This is reflected in higher price quotations for summer hair and lower receipts by brokers. Receipts by brokers at the Union's 4 ports for the first eleven months of the 1955-56 season are reported to total only 9,247 bales of 500 pounds each compared with 16,688 bales a year earlier.

The mohair season in South Africa covers the period from July 1 to June 30. There are two clips per season, the winter clip which is marketed in September through December and the summer clip marketed in April through June.

Prices for summer clip hair in 1956 were substantially above 1955 levels. The price of mohair in South Africa is directly effected by the demand in the United Kingdom since this is the most important market. Price rises in 1956 may be attributed in part to the apparent decrease in the Union's supply of mohair.

SOUTH AFRICA: Price ranges of mohair for selected months and descriptions at Port Elizabeth, 1952-56

	: 1952	: 1953	: 1954	: 1955	: 1956
			(Cents per pound)		
<u>Super Kid</u>					
Summer hair					
April	: 137-166	: 257-269	: 274-349	: 2/ 190	: 2/ 254
May	: 173-219	: 268-285	: 280-313	: 2/ 163	: 2/ 263
June	: 175	: --	: 1/ 280-306	: --	: 2/ 263
Winter hair					
September	: 152-194	: 228-270	: 134-151	: 134-156	: --
October	: 175-211	: 263-295	: 158-181	: 128-164	: --
November	: 161-175	: --	: 151-169	: --	: --
<u>Super</u>					
Summer hair					
April	: 68-78	: 152-161	: 123-146	: 2/ 95	: 2/ 125
May	: 86-104	: --	: 102-137	: 2/ 98	: 2/ 129
June	: 98-121	: --	: 1/ 93-106	: 2/ 97	: 2/ 127
Winter hair					
September	: 105-122	: 104-120	: 69-103	: 84-93	: --
October	: 117-128	: 111-125	: 76-91	: 90-100	: --
November	: 110-124	: 113-127	: 74-81	: 97-105	: --
<u>Good Average</u>					
Summer hair					
April	: 61-74	: 134-146	: 93-128	: 2/ 88	: 2/ 114
May	: 76-92	: 99-111	: 88-100	: 2/ 90	: 2/ 120
June	: --	: --	: 1/ 82-93	: 2/ 92	: 2/ 117
Winter hair					
September	: 99-111	: 88-105	: 55-76	: 84-89	: --
October	: 105-123	: 93-107	: 62-67	: 88-92	: --
November	: 93-110	: 109-112	: 58-63	: 99-104	: --

1/ June 10 sale only.

2/ Monthly average.

Exports of mohair, including Basuto hair, from South African ports were 6.2 million pounds in 1955 as compared with 5.6 million pounds in 1954. Export data by country of destination are not available for these two years but in 1953 the United Kingdom took about three-fourths of the export total.

SOUTH AFRICA: Exports of mohair, actual weight, by country of destination, annual 1937 and 1950-53. 1/

Country	1937	1950	1951	1952	1953
(Thousand pounds)					
United Kingdom	4,083	4,343	3,183	3,876	3,764
France	171	177	344	239	508
Netherlands	--	61	95	213	167
Italy	19	189	85	48	163
United States	51	28	1,221	59	139
Germany	106	21	96	135	84
Japan	130	6	10	28	76
Belgium	--	130	68	130	20
Others	0	56	13	82	73
Total	4,560	5,011	5,115	4,810	4,994

1/ Total exports for 1954 and 1955 were 5,608,766 lbs. and 6,221,020 lbs. respectively. Data by country of destination are not available for these two years.

Situation in Consuming Countries

The United Kingdom in 1953 replaced the United States as the largest consumer of mohair in the world. Statistics for total consumption are unavailable, but, the major proportion is consumed by the wool textile industry. Estimates relating to consumption and stocks in the wool textile industry are shown in the following table:

MOHAIR: Consumption and stocks in the United Kingdom and United States, annual 1949-55.

	: 1949 :	1950 :	1951 :	1952 :	1953 :	1954 :	1955
(Million pounds)							
United Kingdom <u>1/</u>	:	:	:	:	:	:	:
Consumption	: 6.4 :	7.8 :	6.3 :	5.5 :	10.0 :	10.3 :	N.A.
Stocks <u>3/</u>	: 5.0 :	6.7 :	4.0 :	3.7 :	5.0 :	5.5 :	N.A.
United States <u>2/</u>	:	:	:	:	:	:	:
Consumption	: 15.1 :	17.2 :	<u>4/</u> 17.1 :	<u>4/</u> 10.3 :	<u>4/</u> 9.9 :	<u>4/</u> 8.9 :	<u>4/</u> 7.0
Stocks <u>3/</u>	: 11.8 :	7.7 :	3.1 :	4.2 :	4.2 :	5.2 :	6.8

1/ Actual weight.

2/ Scoured basis.

3/ As of April 1 in U.S.; August 1 in U.K.

4/ Estimates based on data for production, exports, imports and stocks (includes small quantities used in upholstery, carpets, and specialty products).

In the textile industry mohair is known as a specialty fiber and therefore has a highly elastic demand. The demand is effected by style changes and the price of competing fibers, principally wool. Mohair is generally more expensive than other fibers and its demand is relatively greater in periods of prosperity. A wider utilization of mohair in the industry would lead to greater price stability.

United Kingdom

Mill consumption in the United Kingdom has remained fairly constant during the past three years at about 10 million pounds annually. This is considerably above the 1949-52 average of 6.5 million pounds.

Imports of mohair into the United Kingdom were 14 million pounds in 1955 as compared with 11 million in 1954. This represents the highest import total since 1933 but was substantially below the 35 million pounds imported in 1912. Imports continued to rise in the first quarter of 1956. The rise in imports in the past two years can be attributed largely to increased shipments from the United States.

UNITED KINGDOM: Imports of mohair by country of origin, average 1935-39, annual 1950-54.

	: 1935-39 :	1950 :	1951 :	1952 :	1953 :	1954
(Million pounds)						
Union of So. Africa	: 5.7 :	4.0 :	3.4 :	4.0 :	3.9 :	3.8
Turkey	: 1.6 :	4.4 :	2.1 :	3.2 :	7.9 :	5.6
Others	: .4 :	-- :	.1 :	-- :	.4 :	1.8
Total	: 7.7 :	8.4 :	5.6 :	7.2 :	12.2 :	11.2
Retained Imports <u>1/</u>	: 7.4 :	8.0 :	5.3 :	7.0 :	12.0 :	11.0

1/ Retained imports in 1955 were 14.4 million pounds.

The increased use of mohair may be due to renewed interest and promotion by the British textile industry where mohair is blended with other fibers extensively in the various types of clothing. It is advertised by some firms as Angora which may be more acceptable to the consumer than mohair.

United States

Consumption of mohair in the United States has declined sharply from an estimated 17.1 million pounds in 1951 to 7.0 million pounds in 1955. Mill consumption of mohair and other wool-like specialty hair continued downward in the first half of 1956.

UNITED STATES: Prices of Mohair at Boston, annual average 1950-56

Description or Type	1950	1951	1952	1953	1954	1955	1956 ^{1/}
			(Cents per pound, greasy basis)				
<u>Texas sorted</u>							
40's	167.3	257.8	201.8	230.3	241.0	225.4	216.9
36's	150.4	242.0	186.5	213.5	226.0	200.6	188.4
32's	126.5	220.0	173.9	190.9	205.6	175.8	168.0
30's	111.4	202.2	156.7	165.2	152.5	123.1	124.2
26's	96.6	172.1	135.6	134.8	102.5	92.2	101.8
22's	87.1	152.5	109.4	98.4	82.5	82.1	94.1
18's	79.5	144.0	99.4	88.2	72.5	76.2	91.8
<u>Texas graded</u>							
No. 1 Kid	134.3	228.8	166.4	181.1	212.6	208.3	174.0
No. 2 Kid	122.8	208.2	156.9	167.8	191.6	182.3	160.0
No. 1 Grown	96.9	176.4	143.8	146.9	137.5	117.9	114.2
No. 2 Grown	85.8	157.5	122.2	122.7	92.5	81.0	90.0
No. 3 Grown	77.9	141.0	99.0	84.6	77.5	75.3	80.6
No. 4 Grown	72.3	133.0	89.9	78.2	67.5	70.2	73.7

^{1/} Six months average, January-June.

One of mohair's feature qualities is its durability and considerable quantities were used in automobile upholstery in the United States prior to World War II. The introduction of seat covers encouraged manufacturers to convert to cheaper fibers. The loss of this important market plus a relatively large accumulation of stocks maintained prices at a comparatively low level during the late 1940's.

Rising wool prices and increased consumption in furniture upholstery brought about a recovery in 1950. During the Korean emergency both mohair and wool prices increased to record levels. The average price received by farmers for mohair was \$1.18 in 1951 as compared with 47 cents per pound in 1949. After the Korean conflict, prices declined steadily until 1955 but were relatively high in comparison to wool prices.

Prices for the finer grades of mohair at Boston during the first six months of 1956 were lower than in 1955. Prices for the coarse grades of mohair, which make up the bulk of the supply, were higher in 1956. The decline in prices for the top grades may be attributed to the relative low level of wool prices and the sharp decline in U.S. consumption of mohair, while the increase in prices for the lower grades may be due to increased foreign demand for these types.

Mohair stocks increased from 3.1 million pounds in 1951 to 6.8 million pounds in 1955. Stocks held by manufacturers and dealers were slightly above seven million pounds on April 1, 1956.

Other Countries

Turkey, which formerly exported almost all of its production, has reported exports of less than half of production in the past five years. This indicates that substantial quantities of mohair are used in the expanding Turkish textile industry.

Germany was an important consumer of mohair before World War II when imports were as high as 11 million pounds. East Germany entered the mohair market in 1955 with purchases of more than a million pounds from Turkey.

Trade data indicates that consumption in the U.S.S.R. is also below prewar levels. Shipments from Turkey to the U.S.S.R. in 1955 were .8 million pounds as compared with 2 million in 1938.

The Netherlands imports from the United States have substantially increased since 1953. U.S. exports to the Netherlands totaled 1.8 million pounds in 1955.



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WORLD WOOL TRADE IN 1955

International trade in raw wool is estimated at 2.5 billion pounds in 1955. This was an appreciable increase over the 2.2 million pounds of 1954 and returns to the relatively high levels of 1953 and 1950, but was below the 1946 record of 2.8 billion pounds effected by the wartime accumulation of stocks and pent up demand.

The 1956 outlook is favorable for a continuation of the upward trend in world wool trade. The supply of wool available for export this year is larger than a year earlier due to increased production in the major exporting countries and a larger carry-over in South America. The Argentine and Uruguayan carry-over, which totaled more than 100 million pounds on October 1, 1955, and the exportable surplus from this season's clip has moved rapidly into export channels. Wool from the other major exporting countries usually moves into export channels without any excessive build-up of carry-over stocks.

The recovery in world wool trade in 1955 reflects increases in world production and consumption. Wool production on a clean basis in 1955 was about 2,715 million pounds and consumption was around 2,620 million pounds. This represented an increase of 4 percent in both production and consumption over 1954.

Exports increased substantially from Australia, Argentina, and the Union of South Africa. These countries, plus New Zealand and Uruguay accounted for 87 percent of the raw wool exports, of which Australia shipped more than half. Increased shipments of lesser magnitude occurred in France, Pakistan, Syria, Iraq and New Zealand.

In general, larger exports from the Dominions may be attributed to favorable growing conditions, desire to increase foreign exchange earnings, and other factors which stimulated production. Larger shipments of raw wool from France reflected a decline in domestic consumption combined with increased imports. Increased shipments from the Middle East countries may be due in part to increased demand for carpet wool in the United States, which imported about one-fourth of the world's output of carpet wool ("unimproved" wools and other wool finer than 40's) in 1955. When there is a strong demand situation for carpet wool in this country, more "transient" wool moves across neighboring boundaries of some of the Middle East countries to port cities for ultimate shipment to the U. S.

WOOL (Actual weight): International trade, averages 1935-39, and
1946-50, annual 1953 to 1955

Continent and country	Average 1935-39		Average 1946-50		1953 1/		1954 1/		1955 1/	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA										
Canada.....	6,241	19,337	3,418	40,223	3,756	26,831	2,865	16,800	2,883	22,293
Mexico.....	2/	2,041	1,120	7,430	2/	6,200	0	11,530	3/	3/
United States.....	325	224,498	9,699	775,722	1,400	448,760	1,200	304,500	300	351,506
Total.....	6,566	245,876	14,237	823,375	5,156	481,791	4,065	332,830	3,183	376,799
EUROPE										
Austria.....	4/ 5/ 183	4/5/20,900	493	1,016	2/	11,174	176	12,347	2/	14,452
Belgium.....	3/	226,345	219,300	34,086	34,086	180,777	23,761	142,529	32,688	163,574
Denmark.....	353	4,149	349	10,384	223	4,755	188	4,000	300	2,800
Finland.....	0	5,772	1,035	8,634	0	9,400	600	11,563	300	11,920
France.....	59,575	403,345	18,666	435,400	35,890	338,180	36,718	342,568	50,922	359,533
Germany, Western.....	0 4/	259,932	381 6/	137,362	3,979	202,870	4,134	190,410	6,780	232,440
Greece.....	1,706	7,717	267	1,093	100	11,600	300	9,600	1,800	11,739
Iceland.....	1,512	0	904	0	569	0	750	100	1,132	—
Ireland.....	14,250	691	10,075	5,305	15,790	11,076	12,210	9,080	15,420	9,660
Italy.....	1,040	78,958	2,380	178,416	4,159	201,312	3,300	169,322	3,000	137,931
Netherlands.....	3,908	16,318	2,054	40,857	2,840	24,310	3,080	27,860	3,660	31,840
Norway.....	272	2,161	5	8,439	2,500	1,868	2,600	1,649	1,900	1,723
Portugal.....	2,188	3,377	2,246	7,300	3,015	3,270	2,863	5,412	1,600	6,431
Spain.....	2,195	12,236	347	6,618	3,146	4,156	2,893	2,700	3,000	6,283
Sweden.....	427	16,885	1,608	29,523	1,200	11,420	1,000	10,840	800	11,890
Switzerland.....	271	17,234	657	25,346	37	17,193	105	13,769	111	13,072
United Kingdom.....	38,600	628,893	17,640	556,640	24,400	827,300	26,700	684,000	29,100	724,300
Yugoslavia.....	1,143	8,179	230	11,266	3,883	7,332	2,628	5,450	1,630	9,804
Total Western Europe.....	127,623	1,713,092	59,397	1,691,899	135,817	1,867,993	124,006	1,643,199	154,143	1,749,392
Bulgaria.....	4	1,693	13/	13/	13/	13/	13/	13/	13/	13/
Czechoslovakia.....	4/5/ 1,050	34,776	13/	13/	13/	13/	13/	13/	13/	13/
Hungary.....	839	2,126	13/	13/	13/	13/	13/	13/	13/	13/
Poland.....	80	46,045	13/	13/	13/	13/	13/	13/	13/	13/
Rumania.....	600	1,334	13/	13/	13/	13/	13/	13/	13/	13/
Total Europe excluding U.S.S.R.	130,196	1,800,677	94,173	1,739,580	135,817	1,867,993	124,006	1,643,199	154,143	1,749,392
U.S.S.R. (Europe and Asia) 8/.....	9/ 67,550	13/	13/	43,026	13/	13/	13/	13/	13/	13/

ASIA													
Cyprus.....	1,226	0	196	0	609	0	1,400	0	1,200	0	1,200	0	0
Iran.....	12,890	0	6,187	573	21,490	0	17,533	0	18,500	13/	18,500	13/	0
Iraq.....	13,651	0	12,065	0	12,225	0	10,620	0	16,027	0	16,027	0	0
Israel.....	---	7/	459	2,115	200	1,000	414	1,512	238	238	238	2,022	2,022
Lebanon.....	10/	10/	386	10,243	3,200	1,660	3,100	2,500	30,864	3/	30,864	3/	12,566
Syria.....	5,787	1,182	3,607	970	9,921	908	20,944	2,205	33,744	3/	33,744	3/	6,410
Turkey.....	17,639	0	4,340	8,755	881	13,823	1,171	16,830	0	16,830	3/	198,050	198,050
China.....	23,608	12,900	29,197	11,112	23,393	4,500	30,806	4,313	33,744	3/	33,744	3/	6,410
India.....	49,016	0	0	28,312	0	197,340	0	11,738	0	11,738	3/	198,050	198,050
Japan.....	0	188,257	0	0	24,389	1,501	20,750	2,900	31,280	3/	31,280	3/	6,410
Pakistan.....	11/	11/	27,543	51,837	96,308	220,732	106,738	177,640	131,853	219,048	219,048	219,048	219,048
Total.....	123,817	202,725	93,837	10,167	535,150	4,900	351,580	3,224	364,839	231	364,839	231	231
SOUTH AMERICA													
Argentina.....	305,725	80	357,248	0	342,100	0	209,800	0	236,790	0	236,790	0	0
Bolivia.....	0	166	0	1,514	3/	22,900	1,360	11,144	3,011	11,144	3/	11,144	3/
Brazil.....	10,151	3,783	7,496	4,504	22,900	1,360	11,144	3,011	11,144	3/	11,144	3/	231
Chile.....	23,335	769	15,409	2,332	15,924	1,940	5,666	213	213	3/	213	3/	231
Colombia.....	36	59	15	1,817	3/	1,600	3/	1,600	3/	3/	3/	3/	3/
Ecuador.....	132	0	0	0	---	---	---	---	---	---	---	---	---
Falkland Islands.....	4,084	0	2,158	0	4,526	0	4,400	0	4,400	3/	4,400	3/	0
Peru.....	5,130	0	0	0	4,526	0	4,400	0	4,400	3/	4,400	3/	0
Uruguay.....	105,478	0	144,428	0	146,000	0	118,170	0	108,860	3/	108,860	3/	0
Total.....	454,071	4,857	526,811	10,167	535,150	4,900	351,580	3,224	364,839	231	364,839	231	231
AFRICA													
Algeria.....	12,822	0	875	4,278	1,110	5,260	7,037	1,004	1,004	3/	1,004	3/	3/
Anglo-Egyptian Sudan.....	3/	3/	27	22	3/	3/	3/	3/	3/	3/	3/	3/	3/
Kenya and Uganda.....	3/	3/	700	0	1,500	0	1,200	0	1,200	3/	1,200	3/	3/
Egypt.....	4,489	0	856	11,267	500	2,100	600	1,642	1,642	3/	1,642	3/	3/
French Morocco.....	10,036	0	3,488	2,150	7,100	500	13,400	578	578	3/	578	3/	3/
Tunisia.....	3,241	0	482	243	1,400	3/	2,400	100	100	3/	100	3/	3/
Union of South Africa.....	228,555	0	262,300	1,546	220,800	18,300	233,200	16,200	262,170	3/	262,170	3/	3/
Total.....	259,143	0	268,728	19,506	244,210	26,160	257,837	19,524	262,170	3/	262,170	3/	3/
OCEANIA													
Australia.....	821,740	0	1,076,232	1,028	1,101,000	0	974,072	0	1,145,800	0	1,145,800	0	0
New Zealand.....	273,618	0	394,243	0	401,000	0	387,250	0	394,620	0	394,620	0	0
Total.....	1,095,358	0	1,470,475	1,028	1,502,000	0	1,361,322	0	1,540,420	0	1,540,420	0	0
World total 13/.....	2,069,732	2,069,732	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089	2,507,089

1/ Preliminary. 2/ Less than 500 pounds. 3/ Not available. 4/ Four year average 1935-38. 5/ Beginning April 1938, trade between Austria and Germany no longer reported as foreign trade in Germany Statistics. The same applies to trade between Czechoslovakia for the period October to December 1938. 6/ Western Germany commencing September 1947. 7/ Two year average. 8/ Present territory. 9/ Based on exports from primary sources. 10/ Included in Syria. 11/ Included in India. 12/ Three year average. 13/ Re-exports have been excluded where possible.

Foreign Agricultural Service. Prepared or estimated from official statistics of foreign governments, reports of U.S. Foreign Service officers and other information. - August, 1956.

During 1955 appreciable increases occurred in imports of wool in the major importing countries of United Kingdom, France, United States, West Germany, Japan and Belgium. The only countries showing an increase over 1953 were Japan and West Germany. Lower wool prices apparently were a factor in stimulating mill interest and consumption in 1955. Italy was the only important consumer to report a reduction in imports in 1955.

The larger export movement of raw wool in 1955 was accompanied by a similar increase in International trade of wool tops, yarn, and fabrics.

Exports of tops were mainly from the United Kingdom, France, Uruguay, Belgium, Australia and South Africa. Shipments from these six countries totaled 172 million pounds, or 10 percent more than in 1954. Uruguay and the United Kingdom recorded the largest increases in top exports. Belgium, the largest importer, imported a smaller quantity in 1955 while China, Canada, India and the Netherlands increased their imports.

France, Belgium, the United Kingdom, Japan and Western Germany were the leading exporters of wool yarn. Shipments in 1955 from eight leading countries totaled 101 million pounds or 7 percent higher than the year before. The principal yarn importers were Western Germany, the Netherlands, Belgium and Sweden, all of which increased their imports of yarn over the previous year.

The most important exporters of wool fabrics were Italy, the United Kingdom and Belgium. Exports from seven major countries amounted to 164 million pounds in 1955. This represented a 23 percent increase over 1954 and included a marked increase of 50 percent for Italy. All of the leading importers of fabrics in 1955 (Western Germany, the United States, Sweden and Canada) increased their imports over 1954.

Italy, Belgium, United Kingdom and Japan were the leading exporters of blankets. Their blanket exports increased 23 percent in 1955. The main importers of blankets were Belgium, France, the Netherlands and Algeria.

Trade in wool carpets increased in most countries in 1955. The United Kingdom, Belgium, Iran, India, Japan, West Germany and France have been the major exporters of carpets in recent years. Export data for Iran were not available for 1955, but exports from the other six countries increased by one-fifth over 1954 with Belgium and Japan recording the largest increases. The principal importers were Australia and the United States. Imports of six million square yards of wool carpets into the United States in 1955 were the largest on record. Other countries importing substantial quantities of carpets in 1955 were Canada, New Zealand, West Germany, the United Kingdom, Switzerland and the Netherlands.



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FW-7-56

November 30, 1956

WOOL MOVEMENT FROM SOUTHERN HEMISPHERE

Raw wool exports from the five major wool growing countries of the Southern Hemisphere (Australia, New Zealand, Union of South Africa, Argentina and Uruguay) were 11 percent higher during 1955-56 than in the previous season. Shipments from the five countries in 1955-56 (July-June in the Southern Dominions, October-September in Argentina and Uruguay) were approximately 2,226 million pounds, actual weight, as compared with 1,999 million pounds in 1954-55.

Wool Exports: Movement of Raw Wool from the Southern Hemisphere
by Country of Destination

Country	1934-38	1951/52	1952/53	1953/54	1954/55	1955/56
----- million pounds -----						
United Kingdom	634	540	797	638	629	585
France	240	250	284	304	297	367
United States	111	402	417	244	229	254
Japan	186	117	210	131	155	253
West Germany	188	83	145	152	178	179
Italy	71	140	164	169	136	148
Belgium	180	111	165	130	139	146
Poland	0	25	21	28	26	51
U.S.S.R.	0	0	3	68	15	27
Others	143	147	143	147	195	216
Total	1,753	1,815	2,349	2,011	1,999	2,226

The larger volume of wool shipped during the 1955-56 season reflects an increase of exportable supplies in the major producing countries of the Southern Hemisphere and increased mill consumption in the major consuming countries in the Northern Hemisphere. Wool production increased appreciably in Australia, New Zealand and South Africa in 1955-56. Although production declined in Argentina and Uruguay, excessive carry-over stocks - which moved rapidly into export channels after the revision of exchange rates - resulted in a sharp increase in exports.

Shipments from Australia accounted for almost half of the increase in wool exports from the Southern Hemisphere in 1955-56. Australian wool exports, including raw wool, tops and noils were equivalent to 1,265 million pounds, greasy basis, a 10 percent increase over 1954-55. Although the value of wool exports declined because of lower prices, wool still accounted for 42 percent of Australia's foreign exchange earnings during the past season.

The Australian wool clip is estimated by the Foreign Agricultural Service at 1,500 million pounds for the 1956-57 season as compared with 1,399 million pounds in 1955-56. Carry-in stocks this season were estimated at 135 million pounds, greasy basis, as compared with 87 million pounds last season.

A continued increase in production and larger carry-in stocks (mostly wool already sold for export but awaiting shipment) will probably result in increased exports. Exports of wool during the first three months of the season were 197 million pounds as compared with 181 million pounds during the corresponding period for the previous season.

New Zealand was the only Southern Hemisphere country in which exports declined in 1955-56. Shipments of raw wool declined slightly from 406 million pounds, actual weight, to 402 million pounds despite an increase in production. This decline was probably due to a larger proportion of last season's clip being shipped during the opening months of this season. Exports from New Zealand during July and August were 37 million pounds, 17 million pounds above the same months last season. The major proportion of this wool was shipped to the United Kingdom and the United States.

The 1956-57 New Zealand wool clip is estimated at 470 million pounds as compared with 462 million pounds produced in 1955-56.

The Union of South Africa increased its wool exports from 250 million pounds to 261 million pounds, actual weight, in 1955-56. A shifting trade pattern indicated a substantial increase in shipments to France and the U.S.S.R. which more than offset a 25 percent decline in exports to the United States. The Union's wool production in 1956-57 is estimated at 301 million pounds, excluding Karakul, as compared with 294 million pounds last season.

The largest proportionate rise in raw wool exports occurred in Uruguay and Argentina where shipments increased 95 percent and 12 percent respectively during the season ending October 1. This sharp increase in exports had been anticipated because of the upward revision of exchange rates last December. This made it possible for exporters to move excessive carry-over stocks into trade channels at a favorable price. The depletion of these carry-in stocks from approximately 132 million pounds, greasy basis, to 36 million pounds indicates a substantially lower available supply of wool in these two countries in 1956-57.

Wool: Exports from Principal Southern Hemisphere Countries
Wool Year Basis - 1954-55 and 1955-56 1/

(Actual Weight)

Country of Destination	Union of				Total 5			
	Australia		New Zealand		Argentina		Uruguay	
	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56	1954-55:1955-56
	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.	Mil. : lbs.
United States	76 : 65	33 : 46	31 : 24	75 : 85	14 : 34	229 : 254		
United Kingdom	326 : 300	198 : 172	63 : 63	27 : 28	15 : 22	629 : 585		
Canada	6 : 8	7 : 8	1 : 1	- : -	- : -	14 : 17		
<u>Continental Europe</u>								
France	165 : 205	67 : 65	42 : 50	20 : 34	3 : 13	297 : 367		
Belgium	95 : 98	16 : 19	16 : 14	10 : 11	2 : 4	139 : 146		
Germany	70 : 83	34 : 28	45 : 47	22 : 12	7 : 9	178 : 179		
Italy	94 : 100	12 : 15	21 : 19	5 : 5	4 : 9	136 : 148		
Netherlands	4 : 5	9 : 8	3 : 3	20 : 14	21 : 44	57 : 74		
Sweden	3 : 4	1 : 2	1 : -	0 : 0	2 : 6	7 : 12		
Poland	16 : 22	10 : 9	0 : 1	- : 0	0 : 19	26 : 51		
Others	31 : 39	1 : 5	6 : 13	1 : -	7 : 1	46 : 58		
Total Continental Europe	478 : 556	150 : 151	134 : 147	78 : 76	46 : 105	886 : 1,035		
Japan	126 : 191	4 : 5	11 : 12	9 : 45	5 : -	155 : 253		
Other Near and Far East	5 : 3	- : 2	- : -	0 : -	- : 1	5 : 6		
Australia	0 : 0	5 : 5	- : -	0 : -	0 : 0	5 : 5		
Union of Soviet Socialist Republic	- : -	3 : 11	9 : 13	- : -	3 : 3	15 : 27		
All Others	28 : 29	6 : 2	1 : 1	24 : 11	2 : 1	61 : 44		
Total	1,045 : 1,152	406 : 402	250 : 261	213 : 245	85 : 166	1,999 : 2,226		

1/ Season beginning July 1 in Australia, New Zealand and Union of South Africa, and October 1 in Argentina and Uruguay.
Dash (-) indicates negligible amount include with "others".

Exports from Argentina increased from 213 to 245 million pounds while exports from Uruguay increased from 85 to 166 million pounds. The increased quantities from Argentina were exported almost entirely to Japan and the United States. Increased shipments from Uruguay were largely to United States and Western Europe.

Wool production in Argentina is estimated at 386 million pounds in 1956-57 as compared with 357 million pounds last season. In Uruguay wool production is expected to decline from 196 to 185 million pounds.

Exports of wool from the five Southern Hemisphere countries increased to all major destinations except the United Kingdom in 1955-56. Exports to the United Kingdom, the leading market, declined for the fourth successive season. The proportion of wool shipped to the United Kingdom from the Southern Hemisphere has declined from 36 percent prewar to 26 percent in 1955-56.

While shipments to the United Kingdom have been falling off, Japan has been rapidly gaining importance as a buyer of Southern Hemisphere wool. Japan took 63 percent more wool in 1955-56 than in the previous season and 35 percent more than prewar. Japan now ranks fourth as a market for Southern Hemisphere wool behind the United Kingdom, France and the United States. Raw wool now ranks third in value as an import commodity in Japan. France, the United States and Poland also purchased considerably more raw wool, while shipments to Belgium, Italy and the U.S.S.R. increased to a lesser extent.

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U. S. DEPARTMENT OF AGRICULTURE

FW 8-56

December 14, 1956

WORLD WOOL PRODUCTION EXCEEDS EARLIER ESTIMATES

The 1956 world wool production is estimated at 4,870 million pounds, greasy basis, up 5 million pounds from the preliminary estimate of last July. The revised estimate represents an increase of 4 percent over 1955. A net increase in production is expected for each continent with the major gains occurring in Australia, Argentina, and the U.S.S.R.

WOOL: Estimated Production, Greasy Basis, by Continent
Averages 1936-40, 1946-50, Annual 1955 and 1956

Continent	Averages		1955 <u>1/</u>	1956 <u>1/</u>	Increase (+) or Decrease (-)	
	1936-40	1946-50			1956 1936-40	1956 1955
	Million pounds	Million pounds	Million pounds	Million pounds	Per cent	Per cent
North America	450	309	293	295	-31.3	+0.7
Europe <u>2/</u>	500	430	500	515	+ 3.0	+3.0
Asia <u>2/</u>	375	375	450	460	+22.7	+2.2
South America	640	735	695	725	+13.3	+4.3
Africa	335	280	385	395	+17.9	+2.6
Oceania	1,370	1,435	1,860	1,970	+43.8	+5.9
World Total <u>3/</u>	3,975	3,880	4,680	4,870	+22.5	+4.1

1/ Preliminary 2/ Excludes U.S.S.R. 3/ Includes estimates for U.S.S.R.

Australian wool production this season, as estimated by the Foreign Agricultural Service, may approximate 1,500 million pounds. This estimate which is 20 million pounds above the Australian official preliminary forecast of last July is based largely on the probable effects of the continuation of favorable growing conditions. Due to the recent labor dispute an appreciable quantity of wool was held over at country points at the end of the season, and more than the usual number of fleeces of more than 12 months growth will be included in this season's production. But, the generally improved grazing conditions of recent years and the relatively favorable prices of wool since World War II have been the major factors encouraging expansion of the Australian sheep industry.

Australia's wool production this season will be about one-third larger than in 1950-51. The successful control of the rabbit problem, general pasture improvements and good growing season have contributed substantially to this increase.

Wool auction prices in Australia advanced sharply after World War II reaching a peak during the Korean emergency. The decline in prices in 1952 and again in 1954 apparently did not have any appreciable effect on the expansion in sheep numbers. The lower prices in 1954 may have resulted in reduced expenditures by growers for permanent improvements and in some instances delayed or limited expenditures for pasture improvements. However, it is very probable that should wool prices remain relatively favorable the Australian sheep industry is likely to continue to expand for the next several years.

In Argentina the much publicized new government program for wool has resulted in a reversal of the downward trend in production. The new exchange rates and aforo (export) prices have more than doubled producer wool prices. A record level of internal prices were reportedly paid for Argentine wools in early October. In mid-November the minimum (aforo) export prices were raised for the fine and medium type wools in line with relative price changes in world markets. The export price for criolla (course wool exported previously to the U.S.) was lowered slightly.

The aforo price determines the amount of foreign currency that the exporter is required to convert into pesos at the official rate of exchange. Currencies earned by the exporter as a result of sales above aforo prices may be exchanged for pesos at the free rate which is about double the official rate.

The U.S.S.R. apparently is devoting considerable effort towards increasing wool production or part of an overall "plan" to achieve self-sufficiency in the textile field. The Foreign Agricultural Service's estimate of 520 million pounds for Russia's 1956 output of sheep's wool excluding Karakul represents an increase of almost 50 percent over 1950.

During most of the postwar period published data on Russian wool production has not been available. Even at present data is available for only selected base periods with production indices reported for current figures. Some series calculated from this limited source of data indicate a higher level of output. Reports from various sources indicate, however, that both sheep numbers and wool production are below the goals set in the fourth and fifth Five-Year Plans.

The sixth Five-Year Plan calls for even a greater increase with an annual production goal of about 1,000 million pounds greasy wool by 1960. This same plan calls for the manufacture of 397 million yards of wool cloth and 580 million pieces of knitwear to be manufactured in 1960. The wool production goal appears to have been established to meet the Soviet Union's increased requirements for wool. The actual increases achieved in both raw wool production and wool manufacturing will determine

the level of the Soviet Union's import requirements for raw wool over the next few years. However, the Soviet Union's textile expansion program also includes artificial fibers. The Soviet Union's dependency upon artificial fibers to supply in part its textile requirements could result in an uncertain market for imports of wool.

Wool production in New Zealand and the Union of South Africa will be moderately larger this season while Uruguay's production is expected to decline by some 5 percent. The increase in New Zealand and South Africa is a continuation of the upward trend of recent years. The estimate for Uruguay is complicated by the movement of appreciable quantities of wool from Uruguay to Brazil due to higher prevailing prices in Brazil. However, any possible understatement in Uruguay's output may show up in an increase in production for Brazil.

Wool production in the remaining countries is expected to change very little this season. This would include the United States, the European countries and the carpet wool producing countries of the Middle East and Asia.

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